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PROGRAMME AND BUDGETS, 2002-2003*

Proposals of the Director-General

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* The present document has not been edited.

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Abbreviations

AAI	Alliance for Africa's Industrialization
ACC	Administrative Committee on Coordination
BMS	Buildings Management Section
CAD	computer-aided design
CAM	computer-aided manufacturing
CAMI	Conference of African Ministers of Industry
CCA	common country assessment
CCAQ	Consultative Committee on Administrative Questions
CCSQ	Consultative Committee on Substantive Questions
CDM	clean development mechanism
COMFAR	Computer Model for Feasibility Analysis and Reporting
CSD	Commission on Sustainable Development
CSO	civil society organization
ECA	United Nations Economic Commission for Africa
ECDC/TCDC	economic and technical cooperation among developing countries
ECOSOC	Economic and Social Council
EDP	electronic data processing
FAO	Food and Agriculture Organization of the United Nations
FDI	foreign direct investment
FIAS	Foreign Investment Advisory Service
GEF	Global Environment Facility
GMP	good manufacturing practice
GNP	gross national product
HACCP	hazard analysis and critical control points
IAEA	International Atomic Energy Agency
IAF	International Accreditation Forum
ICSC	International Civil Service Commission
ICT	information and communication technology
IDDA	Industrial Development Decade for Africa
IDF	Industrial Development Fund
IGO	inter-governmental organization
ILAC	International Laboratory Accreditation Cooperation
ILO	International Labour Organization
IPP	Industrial Partnership Promotion
IPS	Investment Promotion Service
ISCC	Information Systems Coordination Committee
ISO	International Organization for Standardization
ITPO	Investment and Technology Promotion Office
JIU	Joint Inspection Unit
JPO	Junior Professional Officer
LDC	least developed country

MCCT	Measurement and Control-Chart Toolkit
MIGA	Multilateral Investment Guarantee Agency
MSTQ	metrology, standardization, testing and quality
NCPC	National Cleaner Production Centre
NGO	non-governmental organization
NIS	Newly Independent States of the former Soviet Union
OAU	Organization of African Unity
OB	operational budget
ODS	ozone-depleting substance
OECD	Organisation for Economic Cooperation and Development
OIML	International Organization of Legal Metrology
PMO	policy-making organ
POP	persistent organic pollutant
QSM	quality, standardization and metrology
RB	regular budget
RPTC	Regular Programme of Technical Cooperation
SME	small and medium enterprise
SMI	small and medium industry
SPPD	support services for policy and programme development
SPX	subcontracting partnership exchange
STS	support for technical services
TQM	total quality management
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNITAR	United Nations Institute for Training and Research
UNJSPF	United Nations Joint Staff Pension Fund
UNOV	United Nations Office at Vienna
VIC	Vienna International Centre
WHO	World Health Organization
WTO	World Trade Organization

EXECUTIVE SUMMARY

1. In accordance with Article 14 of the Constitution and financial regulations 3.1 and 3.4, the Director-General is pleased to submit to the Board, through the Programme and Budget Committee, the proposed programme and budgets for the biennium 2002-2003.

I. FORMAT AND PRESENTATION

2. The present document follows the format and presentation introduced in the programme and budget document for the biennium 1998-1999 and continued in 2000-2001.

3. In the programme and budgets for 2000-2001, UNIDO committed itself to further increasing the clarity and transparency of the presentation of the Organization's budget. To fulfill this obligation, there are several proposals incorporated into the present document, which were primarily intended to separate and clearly identify the indirect costs so far allocated among various programmes.

Changes in the major programme structure

4. The document features eight major programmes:

Major Programme A	Governing Bodies
Major Programme B	General Management
Major Programme C	Strengthening of Industrial Capacities
Major Programme D	Cleaner and Sustainable Industrial Development
Major Programme E	Regional Programme
Major Programme F	Administration
Major Programme G	Buildings Management
Major Programme H	Indirect Costs

5. The Buildings Management Major Programme is treated as an annex to the core UNIDO budget and is made self-balancing.

6. A new Major Programme H (Indirect Costs) is added to show separately all indirect costs of common and joint services in which UNIDO participates. The aim is to separate and clearly identify indirect costs so far allocated among all major programmes.

Changes in the programme structure

7. At the programme level, the most important change is the reduction in the number of substantive programmes based on the reduction of service modules from 16 to 8. The programme related to agro-industry was relocated from Major Programme C (Strengthening of Industrial Capacities) to Major Programme D (Cleaner and Sustainable Industrial Development). This was necessary in light of the changing focus of this programme towards sustainability and environmental considerations. Due to its strategic importance, information technology and knowledge management is now featured as a new programme within Major Programme C. Hitherto, it was part of Major Programme F (Administration). Finally, the programme Legal Affairs has been moved to Major Programme F (Administration) to reflect its new setting.

II. PROGRAMME FRAMEWORK

8. The Business Plan, endorsed by the General Conference in resolution GC.7/Res.1, will continue to be the cornerstone and guiding principles for the Secretariat in determining the programmatic framework and focus. The proposed programme and budgets for 2002-2003 are designed to enable the Organization to respond effectively to the priorities set out in the Business Plan and identified needs of recipient countries.

International development targets

9. The document takes into account current international development targets. UNIDO intends to focus on two main development issues: poverty eradication and improvement of the environment. There is a growing realization that poverty eradication is a complex issue that cannot be resolved without the expansion of the productive economic sectors. It is also recognized that environmental constraints hinder economic growth and thus negatively affect efforts to reduce poverty.

10. Within the above framework, UNIDO assists developing countries and countries with economies in transition to develop capacities for sustainable industrial development with a view to managing the ongoing process of globalization smoothly and reducing poverty systematically. It gives special emphasis on helping the low income countries in their efforts to mitigate possible marginalization due to the negative impact of globalization, technology gaps and barriers to trade. Specific areas of intervention are the improvement of industrial development strategies, industrial support infrastructures and access to markets. UNIDO's corporate strategy is to focus on activities that would help developing countries and economies in transition to participate in the world production system through higher productivity and to develop a competitive economy, generate diversified and productive employment opportunities, and promote environmentally sustainable industrial development. The activities include provision of public goods such as knowledge, skills, information and technology, investment promotion, small enterprise development, measures to reduce greenhouse gases, and promotion of clean technologies and energy efficiency.

Resource constraints

11. These efforts must be undertaken with very limited resources at the disposal of the Organization. The programme and budgets for 2002-2003 are presented under a no-growth budget scenario (regular budget) and a negative-growth scenario (operational budget). Under these circumstances, the Organization will further focus its activities, set priorities, integrate its services, and streamline its operations to maximize value for money. Several new initiatives will be undertaken, while some traditional activities will be discontinued.

Integrated programmes

12. The integrated programme approach and the service module mechanism will continue to be the main instruments of the Organization to address the needs of recipient countries and to link the demands of those countries with donor priorities. The service modules are the programmatic building blocks of the programme and budgets. These, when combined with the integrated programmes, provide the means to ensure cross-organizational cooperation and maximum usage of synergies within UNIDO. They are also designed to avoid duplication and overlap with other agencies and lay the basis for promoting external complementarity and cooperation. As of December 2000, there were 43 approved integrated programmes covering 39 countries for a total value of $247 million.

Streamlining of service modules

13. To further focus activities, integrate services, and streamline operations, the Secretariat reduced the number of service modules from 16 to 8. This was done through consultations in-house and with Member States by clustering complementary services and eliminating remaining overlaps between existing service

modules. The consolidation of modules facilitates the formulation of integrated programmes, and leads to a better correlation between services provided and the organizational structure. The refined descriptions of the service modules enhance the articulation of new services that have been developed in response to policy-making organ decisions. The streamlining also improves transparency as to what UNIDO does and facilitates stakeholders' understanding of UNIDO's focus and comparative advantage.

Technical cooperation and global forum activities

14. The streamlined service modules cover both technical cooperation and global forum activities. These two types of activities are integrated: knowledge gained from global forum activities is fed back into the design of technical cooperation programmes and projects. Lessons learned from the latter are disseminated through global forum activities.

Partnership

15. The alignment of UNIDO programmes with international development targets requires a closer partnership with multilateral and bilateral development agencies as well as with the private sector. UNIDO will actively participate in United Nations system-wide efforts to combat poverty through the ACC High-Level Committee on Programmes and key United Nations summit meetings. The Organization will also contribute to UNDAF and country development frameworks. UNIDO will further expand its research activities through its action-oriented university research partnership programme.

Regional Programme – consolidation and stabilization

16. While Major Programmes C and D remain the backbone of the Organization in terms of service delivery, the Regional Programme provides overall coordination and programme development and plays a role in funds mobilization. The Business Plan calls for an effective decentralization of activities and strengthened field representation through the redeployment of resources and professional staff from Headquarters to the field, combined with appropriate delegation of authority. The biennium 1998-1999 already witnessed changes in this direction. The Programme was entrusted with enhanced responsibilities in programme and service development and management. The concept of a regional office operating as a multi-service provider for a cluster of countries in a region was introduced. Additional administrative and financial authority was delegated to the field.

17. It was expected that additional resources, generated mainly through increased technical cooperation delivery, would enable the Organization to bring about effective decentralization. Throughout 2000, steps were taken to translate this concept into reality. Internal recruitment for field posts was initiated and a number of Headquarters staff were deployed to the field, mainly as heads of regional offices. However, the required additional resources to support strengthened field representation did not materialize as expected. Consequently, the nature of the work carried out by field offices remained basically unchanged. The country field offices continued to have few responsibilities in respect of programme development, while regional offices could not operate at full capacity, since the required technical personnel could not be deployed.

18. The lack of adequate financial resources on the one hand, and the requirement to implement the prescriptions of the Business Plan on the other, induced the Secretariat to engage in extensive consultations with Member States on whether to proceed with further decentralization of its activities to the field. Based on the outcome of these consultations, the Organization will first stabilize the present field structure.

19. The proposed budget for Major Programme E (Regional Programme) reflects the efforts to consolidate the current field structure. Consequently, resources for the Regional Programme have been slightly increased. Also, the proposed budget for the Major Programme allows the strengthening of one or two regional offices in a planned manner and endows them with some responsibilities and powers in the

area of programme formulation and development as well as project implementation. The experience gained could provide useful insights for further decentralization.

Evaluation and performance indicators

20. After the experience of having the functions of quality monitoring and evaluation of technical cooperation activities diluted among different branches, it is proposed to constitute a small unit for this purpose under subprogramme E.3 (Direction and Management). The unit will focus its activities on the integrated programmes, the bulk of which will see their main implementation drive in the 2002-2003 biennium. Performance measurement mechanisms will be strengthened and outcome and lessons learned will be used to continuously refine UNIDO's activities and improve the relevance and sustainability of its technical cooperation services.

21. In conjunction with monitoring and evaluation activities, the use of an organization-wide performance indicator system will continue to be improved.

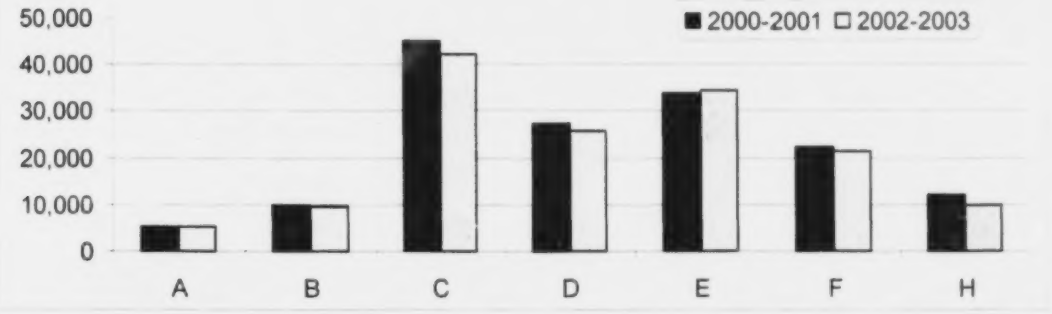
RPTC and IDDA supplementary activities

22. RPTC and IDDA supplementary activities are presented in accordance with the service modules to which they relate. An increased share of RPTC and IDDA supplementary activities will be programmed within the framework of the integrated programmes, so as to enhance synergy and use the limited resources in a more efficient and effective manner. A few initiatives, such as university research partnerships and the UNIDO Exchange programme, are budgeted under RPTC.

Comparison with the previous biennium by major programme

23. The comparison between the current biennium and the estimated requirements for the biennium 2002-2003 is based on 2000-2001 cost levels. Reflecting the no-growth regular budget and negative growth operational budget, all major programmes, except Major Programme E, show a reduction. The relative shares of major programmes remain substantially the same, so as to consolidate and stabilize the organization-wide changes introduced in the programme and budgets for 2000-2001.

Figure 1. Total net resource requirements by major programme
(In thousands of euros)



Major Programmes A and B

24. The resource level of Major Programme A (Governing Bodies) has been reduced by 1.7 per cent compared to the current biennium, reflecting the shorter sessions of the policy-making organs in recent years. In addition, external audit fees were reduced compared to previous years.

25. Total resources for Major Programme B (General Management) were reduced by 2 per cent in an effort to establish a slim corporate apex. The evaluation functions will be transferred to Major Programme E, hence, Programme B.2 (Office of Internal Oversight) will focus on internal audit and investigations. Programme B.3 (United Nations System Coordination) includes resources for UNIDO offices in New York and Geneva. These offices will assume enhanced roles in strengthening partnership with the United Nations system, Bretton Woods institutions and Member States. Resources have been reduced by 20.4 per cent for Programme B.4 (Communication and Information).

Major Programmes C and D

26. These two major programmes provide the backbone of the Organization, which aims at strengthening industrial capacities and promoting environmentally sustainable industrial development. Resources for both Major Programmes C and D have been reduced by 6 per cent. It should, however, be noted that a significant part of the resources of Major Programme E are dedicated to the delivery of technical cooperation. Several posts in the regional offices are technical in nature. The combined relative shares of the two programmes are therefore substantially maintained. Estimated levels of technical cooperation delivery are mentioned in paragraph 47.

Major Programme E

27. The total net resources of the Regional Programme are increased by €769,800 or 2.3 per cent over 2000-2001. This brings the share of Major Programme E to 23.2 per cent of the total net budget from 21.7 per cent of the 2000-2001 level. It is envisaged that an average 30 per cent of field operating costs will be funded by host country contributions.

Major Programme F

28. Continued effort has been made to achieve savings in Major Programme F (Administration). The total net resources of this Major Programme have thus been reduced by 3.4 per cent. An increase in the share of Administration in the total budget from 14.3 per cent to 14.4 per cent results from the transfer of funds mobilization and institutional relations activities from Major Programme B (General Management). Efforts to achieve efficiency include the elimination of posts through streamlined procedures, better use of information technology and the discontinuation of non-critical activities. However, it should be emphasized that Administration has been downsized over the years to the extent that it can no longer provide all the services normally expected.

Major Programme G

29. Buildings Management is made a separate, self-balancing major programme. Significant cost savings have been achieved in this Major Programme during 2000-2001 and the proposed expenditure level represents a reduction of €3,171,600 or 8.1 per cent over the 2000-2001 biennium. UNIDO's share of buildings management costs will be reduced by €1,545,200, representing a reduction of UNIDO's share from 21 per cent to 18.1 per cent. This represents the only resources available for redeployment to other major programmes. The essential requirements programme has been integrated into the regular activities of Buildings Management.

Major Programme H

30. Major Programme H (Indirect Costs) presents all UNIDO costs related to inter-agency common and joint services such as ACC, ICSC, JIU and the Administrative Tribunal that are shared by organizations of the United Nations family, and those housed at the Vienna International Centre such as buildings management, medical, security and safety, language training, and garage. Previously, the costs of such services were spread over all major programmes, which created difficulty in identifying and quantifying

them. By separately budgeting and reporting on these items, Member States can assess the true cost of these services, and also gain insight into how VIC common services are managed. Transparency of the services will thus be improved.

31. The total amount budgeted for Major Programme H is reduced by €1,972,800 or 14.2 per cent, mainly due to reduction in the UNIDO contribution to Buildings Management.

RPTC and IDDA supplementary activities

32. In line with the proposal of zero real growth in the regular budget, the amount for RPTC included in the present document was fixed at the same level as that of the biennium 2000-2001. Similarly, the level of IDDA supplementary activities was also kept at the same volume.

Significant changes by major object of expenditure

33. The Industrial Development Board, at its twenty-third session, authorized the Director-General to apply a new definition of major objects of expenditure to the programme and budget proposals for the biennium 2002-2003 and subsequent biennium (IDB.23/Dec.4).

34. The revised list of major objects of expenditure consists of the following five items:

(a) Staff costs;

(b) Official travel;

(c) Operating costs;

(d) Information and communication technology;

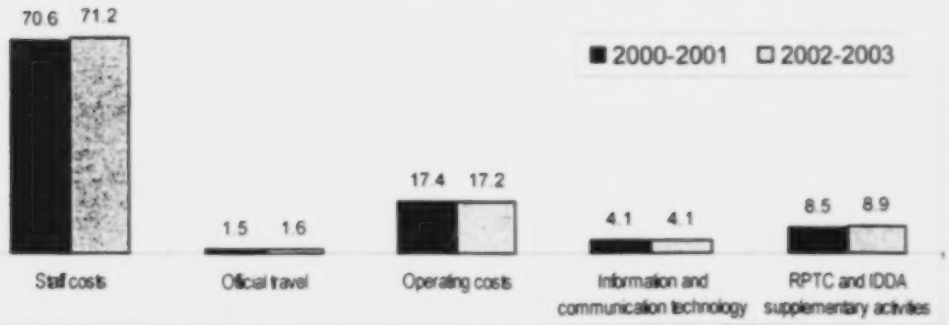
(e) RPTC and IDDA supplementary activities.

35. In accordance with decision IDB.23/Dec.4, resource requirements are presented along the lines of these major objects of expenditure. For comparison purposes, the programme and budgets for the biennium 2000-2001 are also converted into the new structure. Figure 2, table 4 and annex B provide a breakdown of the resource requirements by major object of expenditure.

36. The composition of the budgets remains almost the same as far as the relative share of the various major objects of expenditure is concerned.

37. There is a slight increase in staff costs within the total combined regular and operational budgets. In the biennium 2000-2001, the relative share of this item was 70.6 per cent, which has increased to 71.2 per cent in the current proposal. On the other hand, operating costs have decreased from 17.4 per cent to 17.2 per cent.

Figure 2. Regular and operational net budgets for 2002-2003
by major object of expenditure
(Percentage)



38. The number of posts has been reduced by 18.5. Details of the composition of posts are presented in table 5 and annex C.

39. While there has been no change at the Director level, the number of P-5 posts has been reduced by 17. The total reduction in Professional posts amounts to 9. In the General Service category, a total of 9.5 posts have been taken out. These post reductions were distributed among all programmes except field representation, which has exactly the same number of posts at its disposal.

40. Owing to the introduction of a separate major programme for indirect costs, the resource requirements of the various programmes do not show a large component under "other expenditures". The majority of such costs that have been reported under this heading in the budgets for 2000-2001 have been moved into this new major programme. Those remaining elements that have a direct impact on the relevant programmes have been tabulated as operating costs in the present proposal.

III. BUDGET FRAMEWORK

Financing of the regular budget

41. Total gross expenditures under the regular budget (€137,922,300) are reduced by anticipated income (€4,232,500) and the resulting net requirements (€133,689,800) are financed by assessed contributions payable by Member States.

42. Estimated income falls under two categories: (a) cost reimbursement for field offices, as presented under programme E.2 (Field Offices); and (b) miscellaneous income. The latter category includes income from sales publications, interest earned on deposits and other sundry items. Details are provided in a separate section.

Financing of the operational budget

43. Total gross expenditures under the operational budget (€22,372,600) are similarly reduced by income (€374,600). The resulting net requirements (€21,998,000) are financed from the reimbursement of support costs pertaining to technical cooperation and other services. Details related to technical cooperation delivery and support costs income estimates are shown in tables 1 and 2(b).

44. Income earned under the operational budget falls under the same categories as that of the regular budget and are detailed in the same sections.

Estimated level of service delivery

45. Similar to the programme and budgets for 1998-1999 and 2000-2001, technical cooperation estimates funded from extrabudgetary sources are presented at the relevant programme level. This methodology allows the presentation of total available resources for the delivery of the service modules.

46. The total estimated level of technical cooperation in 2002-2003 amounts to €193,551,600 (excluding RPTC). This represents a reduction of some 18 per cent from the estimated level applied for the biennium 2000-2001 ($218,000,000 or €235,440,000 at US$1 = €1.08). Recognizing the past tendency to considerably over-estimate delivery levels, efforts were made to estimate at more realistic, achievable levels.

47. The relative shares of estimated technical cooperation delivered under Major Programme C and Major Programme D have been reversed from those under the programme and budgets, 2000-2001, where the greater share of delivery is under Major Programme C. For the proposed programme and budgets, 2002-2003, Major Programme D is expected to account for the greater portion, owing to (a) the relocation of the agro-industry programme from Major Programme C to Major Programme D; and (b) an increased estimated

level of delivery from environment and energy-related programmes, including those under the Global Environment Facility.

Cash flow

48. In the programme and budgets for 2000-2001, attention was drawn to the importance of an adequate and timely cash flow. Shortages in cash resources undermine the approved programme and budgets. While the collection rate of assessed contributions shows signs of improvement, the unavailability of funds on time hinders the implementation of the programme and budgets. The late payment of assessed contributions also weakens control and oversight by Member States. It is of utmost importance that Member States pay their contributions on time and in full.

Development of budget estimates

49. In accordance with financial regulation 3.3, the budgetary estimates for the regular and operational budgets are presented separately at all programme levels. Similar to previous bienniums, increases and decreases for the biennium 2002-2003 are shown at the same cost levels as the biennial budget for 2000-2001. The budget estimates for 2002-2003 are then adjusted (recosted) to take into account the impact of inflation.

50. For the development of the budgetary estimates for the biennium 2002-2003, the following elements have been taken into consideration:

(a) Approved budgets for 2000-2001;

(b) Conversion methodology;

(c) Adjustments to the approved 2000-2001 budgets to allow comparison;

(d) Resource requirements for 2002-2003 at 2000-2001 rates;

(e) Inflation and other cost adjustments.

Approved budgets for 2000-2001 as the budget base

51. The programme and budgets for 2000-2001, as contained in document GC.8/16 and approved by the General Conference in decision GC.8/Dec.17, detailed the resource requirements to implement the programmes of the Organization for 2000-2001. The approved budgets for the biennium 2000-2001 represent, under the regular budget, a net amount of $132,909,600 and $28,256,300 under the operational budget.

Conversion of the budget base into euro

52. Programme and Budget Committee conclusion 2000/4 approved the methodology of converting the budgets for the 2000-2001 biennium into euros for the purpose of ensuring a realistic comparison with the budgets of future periods. Accordingly, the 82 per cent Austrian schilling portion of both the regular and the operational budgets for 2000-2001 have been converted into euros by applying the fixed exchange rate of €1 = ATS 13.7603. The 18 per cent US dollar portion of the 2000-2001 budgets has been converted into euros by using the January to December 2000 average United Nations euro/dollar exchange rate, i.e. €1 = US$0.925754.

53. The resulting converted net regular budget for 2000-2001 amounts to €128,022,068 and the net operational budget to €27,768,244. As the conversion was implemented at the lowest aggregation level, rounding discrepancies may show on tables that tabulate higher aggregation of base data in thousands of

euros. The breakdown of the converted base showing the Austrian schilling and US dollar components by major programme is shown in annex D to the present document.

Adjustments to the budget base

54. The budget base has been adjusted to reflect the changes in the programmatic structure and hence allows for a meaningful comparison of resource requirements for 2002-2003 with those of 2000-2001.

Resource requirements for 2002-2003 at 2000-2001 rates

55. The net regular budget estimates for 2002-2003 of €128,022,000 represent the same level of resources as that of 2000-2001, when compared using the same cost levels. Hence the proposed regular budget reflects zero real growth.

56. The operational budget estimates of €20,955,900 represent a reduction of 24.5 per cent in real terms, i.e. at 2000-2001 cost levels.

Inflation and other cost adjustments

57. The application of inflation and other cost adjustments to the 2002-2003 estimates (expressed at 2000-2001 rates) results in a recosting of these estimates to 2002-2003 rates.

58. The vacancy factors assumed in the budgets for 2002-2003 are 5 per cent for Professional-level and 3 per cent for General Service-level posts except in Programme E.2 (Field Offices), where the Professional-level vacancy factor is 7 per cent. These assumptions reflect the reduced financial requirements of a post due to a period of vacancy during the recruitment process.

59. The inflation-related increase in financial requirements is attributable to anticipated changes in the consumer price and wage index levels in Austria and field locations, and also to expected statutory changes in salary and common staff costs for staff on established posts, which the Organization is obliged to implement in full.

60. Projections have been made to standard salary costs for the biennium 2002-2003 as per the category of duty stations reflecting the following anticipated cost increases. For Professional-level salaries, an average 2.2 per cent increase per annum is expected. This includes movements in the consumer price index (average 1.3 per cent) leading to an increase in post adjustment rates and provision for in-grade increments (0.9 per cent). For General Service staff, the salary increase is projected at a level of 2.3 per cent per annum, comprising an average increase of 1.7 per cent as a result of average consumer price and wage index increases and 0.6 per cent due to in-grade increments.

61. The level of common staff costs has been set at 46.8 per cent of net salaries for 2002-2003. This compares with 45.6 per cent budgeted in the 2000-2001 biennium. The increase is mainly attributable to the following factors:

(a) The yearly increase in the pensionable remuneration for Professional-level staff is proportionally higher than the increase in salaries. Therefore, contributions of both the Organization and the staff to the United Nations Joint Staff Pension Fund are increasing at a higher rate than net salaries;

(b) The Organization's contribution to the after-service health insurance of retired staff is rapidly increasing as the retired population grows;

(c) Certain entitlements have been recently reviewed and increased by the United Nations General Assembly upon the recommendation of the International Civil Service Commission;

(d) The increase in the relative share of staff at field duty stations also contributes to the higher common staff cost ratio through increased costs under appointment or assignment travel, assignment grant, removal of household effects and some additional entitlements such as mobility and hardship allowances.

62. The inflation rate for various non-staff objects of expenditure such as utilities, maintenance, supplies is based on forecasts of price index movements by the Austrian Institute for Economic Research, or on assumed inflation trends at the locations of field offices.

63. The average compounded rate for net cost increases in 2002-2003 is 2.3 per cent per annum. Under the regular budget, the net amount required for recosting is €5,667,800.

Budgeting for non-euro expenditures

64. With the discontinuation of the split currency system of assessment, the Organization prepares and presents its budget only in one currency, the euro. However, some 10 to 15 per cent of the expenditures remain in other currencies, mainly United States dollars. In order to estimate the required budgetary amounts in euros, the January to December 2000 average United Nations euro/dollar exchange rate, i.e. €1 = US$0.925754, has been applied to those items.

United Nations loan

65. In accordance with Industrial Development Board decision IDB.4/Dec.29, two payments of $1 million each will be made to the United Nations during the biennium 2002-2003 in partial repayment of the United Nations loan provided at the time UNIDO became a specialized agency, which will be met from the receipt of outstanding assessed contributions and are, therefore, not included in the budgetary estimates or assessments of Member States.

IV. SUMMARY OF PROPOSALS

66. The following are the main features of the proposed programme and budgets, 2002-2003:

(a) The net regular budget estimates represent zero real growth;

(b) The net operational budget estimates represent a resource reduction against the approved budget for 2000-2001 of €6,812,300 or 24.5 per cent (before recosting);

(c) Major Programme E (Regional Programme) is strengthened and the field network is consolidated;

(d) Major Programme G (Buildings Management) is presented as a separate, self-balancing major programme and UNIDO's contribution to this programme is included under Major Programme H;

(e) Major Programme H (Indirect Costs) represents a reduction of 14.2 per cent before recosting.

Table 1

Summary of budget estimates by major programme for 2002-2003
for total operations

(In thousands of euros, at 2002-2003 costs)

Major Programme	Regular budget (net)	Operational budget (net)	Technical cooperation (extrabudgetary)	Total net estimates	Percent of total estimates
A Governing Bodies	5 349.7	0.0		5 349.7	1.5%
B General Management	9 699.2	492.9		10 192.1	2.9%
C Strengthening of Industrial Capacities	37 105.2	6 895.5	65 441.1	109 441.8	31.3%
D Cleaner and Sustainable Industrial Development	21 979.4	5 243.8	128 110.5	155 333.7	44.5%
E Regional Programme	30 118.6	5 541.1		35 659.7	10.2%
F Administration	18 749.7	4 024.7		22 774.4	6.5%
G Buildings Management	0.0	0.0		0.0	0.0%
H Indirect Costs	12 405.2	0.0		12 405.2	3.6%
Miscellaneous Income	(1 717.2)	(200.0)		(1 917.2)	(0.5%)
Total net requirements	133 689.8	21 998.0	193 551.6	349 239.4	100.0%

Total volume of operations in 2002-2003 by major programme
(including technical cooperation)

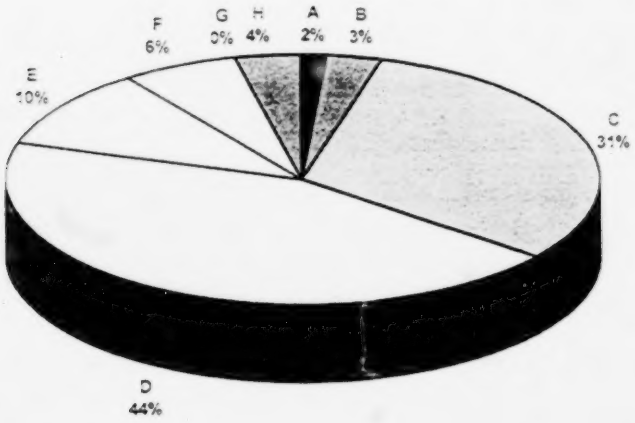


Table 2(a)

Summary of regular and operational budgets
(Excluding Major Programme G. Buildings Management)
(In thousands of euros)

	2000-2001 approved budget a/ 1	2002-2003 resource growth at 2000-2001 rates 2	2002-2003 resource requirements at 2000-2001 rates 3	Recosting to 2002-2003 rates 4	2002-2003 resource requirements 5
Regular budget					
Expenditures	130 645 6	1 511 3	132 156 9	5 765 4	137 922 3
Income	(2 623 6)	(1 511 3)	(4 134 9)	(97 6)	(4 232 5)
Net requirements	128 022 0	(0 0)	128 022 0	5 667 8	133 689 8
Operational budget					
Expenditures	28 387 6	(7 063 9)	21 323 7	1 048 9	22 372 6
Income	(619 4)	251 6	(367 8)	(6 8)	(374 6)
Net requirements	27 768 2	(6 812 3)	20 955 9	1 042 1	21 998 0
Total regular and operational budgets	155 790 2	(6 812 3)	148 977 9	6 709 9	155 687 8
Rate of real growth (net)					
Regular budget		(0 0%)			
Operational budget		(24 5%)			
Combined		(4 4%)			

a/ Reflects budget adjustments to the base. Due to the conversion from US$, rounding discrepancies are possible after the decimal point

Table 2(b)

Technical cooperation delivery and support cost income estimates

(excluding Regular Programme activities)

(In thousands of euros) a/

	2000-2001 b/		2002-2003	
	Delivery	Support cost income	Delivery	Support cost income
UNDP - Main programme	14 896 7	1 472 0	21 351 4	2 160 4
IDF	41 386 9	5 313 7	51 220 6	6 576 3
Montreal Protocol	58 409 4	7 301 2	60 489 8	7 561 2
Trust funds and others	38 452 1	3 382 6	60 489 8	4 301 3
- Technical Services		234 0		160 4
- SPPD		945 5		641 2
- STS		645 2		597 2
Total	153 145 1	19 294 2	193 551 6	21 998 0

a/ Calculated with US$ 1 = €1 0802, the January to December 2000 average United Nations exchange rate

b/ Reflects technical cooperation delivery and support cost income in 2000 and estimates for the remainder of the 2000-2001 biennium

Table 3

Proposed expenditure and income

by major programme for 2002-2003 with comparative data for 2000-2001

(In thousands of euros)

Major Programme	2000-2001 approved budget a/ 1	2002-2003 resource growth at 2000-2001 rates 2	2002-2003 resource requirements at 2000-2001 rates 3	Recosting to 2002-2003 rates 4	2002-2003 resource requirements 5
1. Regular and operational budgets					
A Governing Bodies	5 245 3	(87 5)	5 157 8	191 9	5 349 7
B General Management	9 874 7	(193 4)	9 681 3	510 8	10 192 1
C Strengthening of Industrial Capacities	45 004 6	(2 828 0)	42 176 6	1 824 1	44 000 7
D Cleaner and Sustainable Industrial Development	27 376 6	(1 497 5)	25 879 1	1 344 1	27 223 2
E Regional Programme	35 338 2	1 790 4	37 128 6	1 221 0	38 349 6
Income	(1 564 8)	(1 020 7)	(2 585 5)	(104 4)	(2 689 9)
Net requirements	33 773 4	769 7	34 543 1	1 116 6	35 659 7
F Administration	22 285 1	(763 8)	21 521 3	1 253 1	22 774 4
G Buildings Management	39 360 6	(3 171 6)	36 189 0	1 361 5	37 550 5
Income	(39 360 6)	3 171 6	(36 189 0)	(1 361 5)	(37 550 5)
Net requirements					
H Indirect Costs	13 908 8	(1 972 9)	11 935 9	469 3	12 405 2
Miscellaneous Income	(1 678 2)	(239 0)	(1 917 2)		(1 917 2)
Total regular and operational budgets	**155,790.3**	**(6,812.4)**	**148,977.9**	**6,709.9**	**155,687.8**
2. Regular budget					
A Governing Bodies	5 245 3	(87 5)	5 157 8	191 9	5 349 7
B General Management	9 116 8	27 1	9 143 9	555 3	9 699 2
C Strengthening of Industrial Capacities	37 463 2	(1 810 4)	35 652 8	1 452 4	37 105 2
D Cleaner and Sustainable Industrial Development	20 736 9	189 3	20 926 2	1 053 2	21 979 4
E Regional Programme	26 864 1	4 722 4	31 586 5	1 047 4	32 633 9
Income	(1 096 6)	(1 321 1)	(2 417 7)	(97 6)	(2 515 3)
Net requirements	25 767 5	3 401 3	29 168 8	949 8	30 118 6
F Administration	17 310 4	443 4	17 753 8	995 9	18 749 7
G Buildings Management	39 360 6	(3 171 6)	36 189 0	1 361 5	37 550 5
Income	(39 360 6)	3 171 6	(36 189 0)	(1 361 5)	(37 550 5)
Net requirements					
H Indirect Costs	13 908 8	(1 972 9)	11 935 9	469 3	12 405 2
Miscellaneous Income	(1 526 9)	(190 3)	(1 717 2)		(1 717 2)
Total regular budget	**128,022.0**		**128,022.0**	**5,667.8**	**133,689.8**
3. Operational budget					
B General Management	757 8	(220 4)	537 4	(44 5)	492 9
C Strengthening of Industrial Capacities	7 541 3	(1 017 5)	6 523 8	371 7	6 895 5
D Cleaner and Sustainable Industrial Development	6 639 7	(1 686 8)	4 952 9	290 9	5 243 8
E Regional Programme	8 474 0	(2 931 9)	5 542 1	173 6	5 715 7
Income	(468 1)	300 3	(167 8)	(6 8)	(174 6)
Net requirements	8 005 9	(2 631 6)	5 374 3	166 8	5 541 1
F Administration	4 974 7	(1 207 2)	3 767 5	257 2	4 024 7
Miscellaneous Income	(151 2)	(48 8)	(200 0)		(200 0)
Total operational budget	**27,768.2**	**(6,812.3)**	**20,955.9**	**1,042.1**	**21,998.0**

a/ Reflects budget adjustments to the base. Due to the conversion from US$, rounding discrepancies are possible after the decimal point.

Table 4

Proposed expenditure and income

by major object of expenditure for 2002-2003 with comparative data for 2000-2001
(Excluding Major Programme G. Buildings Management)
(In thousands of euros)

Major object of expenditure	2000-2001 approved budget a/ 1	2002-2003 resource growth at 2000-2001 rates 2	2002-2003 resource requirements at 2000-2001 rates 3	Recosting to 2002-2003 rates 4	2002-2003 resource requirements 5
1. Regular and operational budgets					
1 Staff costs	109 931.2	(3 912.9)	106 018.3	5 377.3	111 395.6
2 Official travel	2 375.3	75.3	2 450.6	99.4	2 550.0
3 Operating costs	27 169.5	(1 475.4)	25 694.1	961.5	26 655.6
4 Information and communication technology	6 354.2	(239.7)	6 114.5	55.3	6 169.8
5 RPTC and IDDA supplementary activities	13 203.1	0.0	13 203.1	320.8	13 523.9
Income	(3 242.9)	(1 259.8)	(4 502.7)	(104.4)	(4 607.1)
Total net regular and operational budgets	**155,790.4**	**(6,812.5)**	**148,977.9**	**6,709.9**	**155,687.8**
2. Regular budget					
1 Staff costs	83 102.0	2 671.9	85 773.9	4 361.4	90 135.3
2 Official travel	2 375.3	75.3	2 450.6	99.4	2 550.0
3 Operating costs	25 611.0	(996.2)	24 614.8	928.5	25 543.3
4 Information and communication technology	6 354.2	(239.7)	6 114.5	55.3	6 169.8
5 RPTC and IDDA supplementary activities	13 203.1	0.0	13 203.1	320.8	13 523.9
Income	(2 623.6)	(1 511.3)	(4 134.9)	(97.6)	(4 232.5)
Total net regular budget	**128,022.0**	**0.0**	**128,022.0**	**5,667.8**	**133,689.8**
3. Operational budget					
1 Staff costs	26 829.1	(6 584.7)	20 244.4	1 015.9	21 260.3
3 Operating costs	1 558.5	(479.2)	1 079.3	33.0	1 112.3
Income	(619.4)	251.6	(367.8)	(6.8)	(374.6)
Total net operational budget	**27,768.2**	**(6,812.3)**	**20,955.9**	**1,042.1**	**21,998.0**

a/ Reflects budget adjustments to the base. Due to the conversion from US$, rounding discrepancies are possible after the decimal point.

Table 5

Posts established under the regular and operational budgets
2000-2001 and 2002-2003
(Excluding Major Programme G. Buildings Management)

A. Total UNIDO

	2000-2001			2002-2003			Increase/
	RB	OB	Total	RB	OB	Total	decrease
Professional and above							
Director-General	1.0	-	1.0	1.0	-	1.0	-
Director	31.0	2.0	33.0	31.0	2.0	33.0	-
P-5	67.0	26.0	93.0	58.0	18.0	76.0	-17.0
P-4	63.0	24.0	87.0	77.0	17.0	94.0	7.0
PS (P-2/P-3)	59.0	15.0	74.0	63.0	12.0	75.0	1.0
Subtotal	221.0	67.0	288.0	230.0	49.0	279.0	-9.0
General Service							
Principal level	3.0	1.0	4.0	4.0	0.5	4.5	0.5
Other levels	222.5	102.0	324.5	230.5	84.0	314.5	-10.0
Subtotal	225.5	103.0	328.5	234.5	84.5	319.0	-9.5
GRAND TOTAL	446.5	170.0	616.5	464.5	133.5	598.0	-18.5

B. Headquarters (including offices at New York and Geneva)

	2000-2001			2002-2003			Increase/
	RB	OB	Total	RB	OB	Total	decrease
Professional and above							
Director-General	1.0	-	1.0	1.0	-	1.0	-
Director	26.0	2.0	28.0	24.0	2.0	26.0	-2.0
P-5	53.0	14.0	67.0	44.0	10.0	54.0	-13.0
P-4	57.0	23.0	80.0	65.0	14.0	79.0	-1.0
PS (P-2/P-3)	51.0	11.0	62.0	60.0	11.0	71.0	9.0
Subtotal	188.0	50.0	238.0	194.0	37.0	231.0	-7.0
General Service							
Principal level	3.0	1.0	4.0	3.0	0.5	3.5	-0.5
Other levels	186.5	78.0	264.5	189.5	64.0	253.5	-11.0
Subtotal	189.5	79.0	268.5	192.5	64.5	257.0	-11.5
GRAND TOTAL	377.5	129.0	506.5	386.5	101.5	488.0	-18.5

C. Field Offices

	2000-2001			2002-2003			Increase/
	RB	OB	Total	RB	OB	Total	decrease
Professional and above							
Director-General	-	-	-	-	-	-	-
Director	5.0	-	5.0	7.0	-	7.0	2.0
P-5	14.0	12.0	26.0	14.0	8.0	22.0	-4.0
P-4	6.0	1.0	7.0	12.0	3.0	15.0	8.0
PS (P-2/P-3)	8.0	4.0	12.0	3.0	1.0	4.0	-8.0
Subtotal	33.0	17.0	50.0	36.0	12.0	48.0	-2.0
General Service							
Principal level	-	-	-	1.0	-	1.0	1.0
Other levels	36.0	24.0	60.0	41.0	20.0	61.0	1.0
Subtotal	36.0	24.0	60.0	42.0	20.0	62.0	2.0
GRAND TOTAL	69.0	41.0	110.0	78.0	32.0	110.0	-

MAJOR PROGRAMME A: GOVERNING BODIES

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
3.0	**3.0**	**6.0**	Staff costs	1,139.2		1,139.2
			Consultants	16.7		16.7
			Meetings	62.4		62.4
			Official travel	23.4		23.4
			Operating costs	4,108.0		4,108.0
			Total (gross expenditure)	**5,349.7**		**5,349.7**
			Total net resources	**5,349.7**		**5,349.7**

By programme

	Posts		Regular and operational budgets	Technical cooperation (extrabudgetary)	TOTAL
	P	GS			
A.1. Meetings of Governing Bodies			4,015.3		4,015.3
A.2. Secretariat of Governing Bodies & Ext. Relations	3.0	3.0	1,334.4		1,334.4
A. Total major programme	**3.0**	**3.0**	**5,349.7**		**5,349.7**

Objective

A.1. The objective of the Major Programme is to provide the framework for determining the guiding principles, policies and budgetary resources of the Organization, and to ensure close and well-coordinated contacts and consultations with Governments.

A.2. The Major Programme comprises two Programmes:

(a) A.1. Meetings of Governing Bodies;

(b) A.2. Secretariat of Governing Bodies and External Relations (including protocol).

Programme A.1: Meetings of the Governing Bodies

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
			Staff costs 62.4		62.4
			Operating costs 3,952.9		3,952.9
			Total (gross expenditure) 4,015.3		**4,015.3**
			Total net resources 4,015.3		**4,015.3**

A.3. The programme provides the setting for the decision-making bodies of the Organization.

Context

A.4. The decision-making bodies are provided for in Chapter III of the Constitution.

(a) General Conference: The General Conference, one of the three principal organs of UNIDO under Article 7.1 of the Constitution, determines the guiding principles and policies of the Organization;

(b) Industrial Development Board: The Board's functions, which are governed by Article 9 of the Constitution, are to oversee and review the activities of the Organization between sessions of the General Conference and to report to the General Conference on its work;

(c) Programme and Budget Committee: In accordance with Article 7.2 of the Constitution, the Programme and Budget Committee assists the Industrial Development Board in the preparation and examination of the Organization's programme of work, its regular and operational budgets and other financial matters pertaining to the Organization, as indicated in Article 10.4 of the Constitution.

Objective

A.5. The objective of the Programme is to provide the forums for the sessions (regular and special sessions as well as intersessional meetings) of the principal and subsidiary bodies of UNIDO's policy-making organs, which will develop guidelines and policy directives for the Secretariat on the functions and activities of the Organization as set out under Article 2 of the Constitution.

Services provided and expected outputs

A.6. During the biennium, the Programme will focus on the following services and outputs:

01: General Conference:

(a) One session of the General Conference (the tenth) in 2003, for a total of five working days comprising plenary, main committee and geographical groups meeting (in Vienna). In the event that the Conference were to be held at another site, the additional costs involved would be met by the host Government. A document containing a compilation of resolutions and decisions adopted by the Conference will be issued.

02: Industrial Development Board:

(a) Three sessions of the Board will be held during 2002-2003 for a total of nine working days. Pursuant to Article 7.3 of the Constitution, the Board may decide to establish intersessional working groups. In this case, the financial implications will have to be assessed against resource availability. A report containing a compilation of decisions adopted by each session of the Board will be prepared for submission to the Conference.

03: Programme and Budget Committee:

(a) Two sessions of the Programme and Budget Committee will be held during 2002-2003 for a total of six working days. A report containing a compilation of conclusions adopted by each session of the Committee will be prepared for submission to the Board.

Programme A.2: Secretariat of Governing Bodies and External Relations

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
3.0	3.0	6.0	Staff costs	1,076.8		1,076.8
			Consultants	16.7		16.7
			Meetings	62.4		62.4
			Official travel	23.4		23.4
			Operating costs	155.1		155.1
			Total (gross expenditure)	**1,334.4**		**1,334.4**
			Total net resources	**1,334.4**		**1,334.4**

A.7. The Programme provides substantive, technical and logistic support to the policy-making organs as well as their intersessional working groups. It also maintains and monitors the Secretariat's official contacts with Member and non-Member States and regional groups.

Context

A.8. The policy-making organs are provided for in Chapter III of the Constitution, and the Secretariat of the Governing Bodies ensures and coordinates the framework for their sessions.

Objective

A.9. The objective of the Programme is to:

(a) Provide advisory and secretariat services to all sessions of the policy-making organs—the General Conference, the Industrial Development Board and its subsidiary organ, the Programme and Budget Committee—as well as other subsidiary bodies and working groups established by those organs;

(b) Maintain general external relations with Member States, Permanent Missions accredited to UNIDO, non-Member States and regional groups, and ensure correct protocol procedures and practices.

Services provided and expected outputs

A.10. During the biennium, the Programme will focus on the following services and outputs:

(a) Provision of effective arrangements for meetings of the policy-making organs, including liaison with Governments and Permanent Missions; issuance of notifications and registration of delegations; preparation and monitoring of pre-, in- and post-session documentation, including the Annual Report; assistance to elected officers of the sessions in the consultations that precede sessions of the governing bodies, as well as in the conduct of the meetings; servicing all working groups; preparing follow-up plan for implementing decisions and resolutions; facilitating applications by States that are not Members of the Organization or other entities (IGOs, NGOs) for observer status in governing bodies;

(b) Acting as focal point for liaison with Governments, Permanent Missions accredited to UNIDO, the host Government, regional groups and non-Member States and monitors/coordinates contacts between the latter and organizational units, in relation to (i) preparation of high-level visits to UNIDO by mobilizing substantive and logistical support; (ii) provision of support and PMO-related information to all Member States, including those not represented in Vienna; (iii) preparation, coordination and/or clearance of replies to official communications addressed to the Director-General;

(c) Carrying out of all protocol-related activities, including accreditation of members of Permanent Missions, authorization of privileges, organization of official ceremonies, and issuance/maintenance of an updated directory of Permanent Missions;

(d) Provision of guidance and logistic support to the functioning of the Group of 77 and China, Vienna Chapter.

MAJOR PROGRAMME B: GENERAL MANAGEMENT

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
22.0	**15.0**	**37.0**	Staff costs	7,635.0	492.9	8,127.9
			Consultants	202.1		202.1
			Meetings	225.6		225.6
			Official travel	544.4		544.4
			Operating costs	1,037.3		1,037.3
			Information and comm. techn	54.8		54.8
			Total (gross expenditure)	**9,699.2**	**492.9**	**10,192.1**
			Total net resources	**9,699.2**	**492.9**	**10,192.1**

By programme

	Posts		Regular and operational budgets	Technical cooperation (extrabudgetary)	TOTAL
	P	GS			
B.1. Executive Direction and Management	12.0	8.0	5,562.6		5,562.6
B.2. Internal Oversight	3.0	3.0	1,186.2		1,186.2
B.3. United Nations System Coordination	4.0	2.0	1,993.7		1,993.7
B.4. Communication and Information	3.0	2.0	1,449.6		1,449.6
B. Total major programme	**22.0**	**15.0**	**10,192.1**		**10,192.1**

Objective

B.1. The objective of the Major Programme, within the scope of the constitutional objectives of UNIDO and pursuant to the decisions of policy-making organs, is to provide effective strategic guidance and control to the Organization and to ensure efficient operational and financial management. It is also responsible for maintaining close relations with Governments, with intergovernmental and non-governmental organizations and with the organizations of the United Nations system. The Major Programme also exercises the public relations and information function of UNIDO with a view to enhancing the image and awareness of the role and activities of UNIDO among its constituencies.

Programme B.1: Executive Direction and Management

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
12.0	8.0	20.0	Staff costs	4,443.0		4,443.0
			Consultants	142.7		142.7
			Meetings	225.6		225.6
			Official travel	443.6		443.6
			Operating costs	307.7		307.7
			Total (gross expenditure)	**5,562.6**		**5,562.6**
			Total net resources	**5,562.6**		**5,562.6**

B.2. The Programme determines the overall direction, policies and activities of UNIDO and guides the implementation of these. The Programme has responsibility for coordinating all external relations; the activities related with the mobilization of financial resources for UNIDO activities; and the strategic research activities of UNIDO.

Objective

B.3. The objective of the Programme is the definition of the overall direction, policies and activities of UNIDO; the promotion of UNIDO's advocacy and technical assistance roles with regard to sustainable industrial development in the context of the overall development goals of the United Nations system; the coordination of a strategic research programme in relation to industrial development issues; and the mobilization of extrabudgetary resources for UNIDO's activities.

Services provided and expected outputs

B.4. During the biennium, the Programme will focus on the following services and outputs:

(a) Based on a continuous analysis of global trends, define the overall direction of the Organization; set policies and strategies; define the main activities of the Organization, integrating the technical cooperation and global forum functions, and guide their implementation; develop UNIDO-wide assessed positions and approaches on key industrial development issues, including gender issues and partnerships with the private sector and civil society, and ensure their effective communication and advocacy through UNIDO position papers and policy statements;

(b) Organizational policy and strategy on issues related to UNIDO's transformation and their coordination; integration and quality assurance of the Organization's services; establish inter-institutional coordination arrangements; represent UNIDO at meetings addressing development cooperation and technical issues of relevance to the mandate of the Organization; monitor service demand and organizational responses, especially with respect to integrated programmes; decide on corrective action, when required; take action to overcome bottlenecks in the development of cooperative management in the Organization; ensure effective UNIDO information systems, service performance and programme quality;

(c) Plan and coordinate a strategic research programme in partnership with universities and other organizations to improve understanding of industrial development processes and the contribution that can be made by UNIDO technical cooperation and global forum activities; disseminate the results and knowledge emanating from the strategic research programme within UNIDO and outside;

(d) Coordinate UNIDO contributions to major United Nations conferences and meetings to strengthen the participation of UNIDO and ensure the due consideration of industrial development as a main driver of and contributor to balanced overall development;

(e) Manage and coordinate the overall mobilization of extrabudgetary resources by UNIDO.

Programme B.2: Internal Oversight

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
3.0	**3.0**	**6.0**	Staff costs	1,020.6	118.4	1,139.0
			Consultants	8.4		8.4
			Official travel	11.0		11.0
			Operating costs	27.8		27.8
			Total (gross expenditure)	**1,067.8**	**118.4**	**1,186.2**
			Total net resources	**1,067.8**	**118.4**	**1,186.2**

Objective

B.5. The objective of the Programme is to assist the management in the effective discharge of its responsibilities, particularly in the proper care and use of resources, compliance with rules and regulations.

Services provided and expected outputs

B.6. During the biennium, the Programme will focus on the following services and outputs:

(a) Assist the overall management through conducting audits on best uses of human and financial resources;

(b) Conduct audits on financial delegation of authority, accounting and reporting, thereby identifying inconsistencies and proposing remedial action to the management;

(c) Conduct audits on compliance with established rules and regulations;

(d) Perform inspections to identify vulnerable areas and malfunctions, thereby notifying management thereof and recommending remedial action;

(e) Conduct investigations with regard to specific allegations and possible violations;

(f) Provide management with instruments and tools to take remedial action through issuance of observations and comments.

B.7. In carrying out these activities, due regard is given to fairness and objectivity, to prevent and detect waste, misconduct, abuses and mismanagement in the operations at Headquarters and in the field.

B.8. Furthermore, the Programme works on strengthening UNIDO's cooperation with other internal oversight services within and outside the United Nations system to increase visibility of programme activities, *inter alia*, through the website accessible from UNIDO's Intranet, as well as the existing oversight recommendations tracking system for Secretariat oversight recommendations as well as recommendations of the External Auditor and the Joint Inspection Unit.

Programme B.3: United Nations System Coordination

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
4.0	2.0	6.0	Staff costs	1,202.7	374.5	1,577.2
			Official travel	50.0		50.0
			Operating costs	311.7		311.7
			Information and comm. techn.	54.8		54.8
			Total (gross expenditure)	**1,619.2**	**374.5**	**1,993.7**
			Total net resources	**1,619.2**	**374.5**	**1,993.7**

B.9. The Programme ensures adequate representation in New York and Geneva to strengthen UNIDO's visibility and interaction with the United Nations system and other development/financing agencies, and maintains a close liaison with Member State missions.

Context

B.10. The Programme helps ensure that UNIDO's programmes are coherent with and complementary to the policy guidance provided by the General Assembly and ECOSOC on the one hand and with the programmes of the United Nations system and other development/financing agencies on the other.

B.11. Representation helps promote the political support and visibility required to enable UNIDO to contribute to the global effort to combat poverty and sustain the environment. Representation is also required to advise Headquarters on how it can contribute to the international development agenda.

Objective

B.12. The objective of the Programme is to ensure appropriate representation and interaction of UNIDO with the United Nations system, and other resident inter-governmental and inter-agency bodies, institutions of civil society and the media in New York and Geneva; to secure and strengthen the Organization's contribution to the development targets of the United Nations, including the United Nations reform process; and to create awareness of UNIDO's contributions to these efforts.

B.13. Headquarters is informed of ongoing and emerging development initiatives related to its mandate, enabling it to be in a position to support them.

B.14. Permanent Missions are fully aware of UNIDO's programmatic contributions and financial support required for their implementation.

Services provided and expected outputs

B.15. During the biennium, the Programme will focus on the following services and outputs:

(a) Facilitate strategic positioning and contributions of UNIDO on critical development issues, particularly in connection with international development events;

(b) Help liaise and coordinate UNIDO activities with the United Nations system and other development finance agencies, as well as CSOs;

(c) Represent UNIDO at political, inter-agency and technical meetings;

(d) Prepare and deliver statements;

(e) Provide information, analysis and advice to Headquarters in connection with the above;

(f) Provide ongoing programme follow-up support at the request of Headquarters;

(g) Follow-up on miscellaneous requests from Headquarters.

Programme B.4: Communication and Information

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
3.0	2.0	5.0	Staff costs	968.7		968.7
			Consultants	51.0		51.0
			Official travel	39.8		39.8
			Operating costs	390.1		390.1
			Total (gross expenditure)	**1,449.6**		**1,449.6**
			Total net resources	**1,449.6**		**1,449.6**

B.16. The Programme provides simple tools to achieve a better understanding of the role, accomplishments and relevance of UNIDO. It undertakes initiatives that are designed to explain the mission of UNIDO and its relevance.

Context

B.17. Building public knowledge of its purpose and activities; focusing on assistance to developing countries in enhancing productivity through the mobilization of knowledge, skills, information and technology, mainly in small business enterprises. The private business sector is a key partner and civil society contributes especially in the field of environmentally sound industrialization.

Objective

B.18. The objective of the Programme is to advise the Director-General, in close cooperation with others, on strategies and policies in respect of UNIDO's communication and public information activities, including public affairs, corporate marketing, public relations, media, press and the relationship with the United Nations Information Centres. It ensures that information disseminated to the media by the Organization is based on comprehensible and consistent messages in line with UNIDO's corporate image and strategy targeted to specific audiences.

Services provided and expected outputs

B.19. During the biennium, the Programme will focus on the following services and outputs:

(a) Promotional material in the form of printed publications, electronic and audio-visual;

(b) Interviews and meetings with the Director-General and senior management;

(c) A communication plan drawn up in October 2000 is expected to generate the interest of the media in the services provided by UNIDO.

MAJOR PROGRAMME C: STRENGTHENING OF INDUSTRIAL CAPACITIES

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
80.0	**75.5**	**155.5**	Staff costs	21,061.3	6,895.5	27,956.8
			Consultants	1,203.3		1,203.3
			Meetings	731.0		731.0
			Official travel	566.7		566.7
			Operating costs	1,523.3		1,523.3
			Information and comm. techn.	3,987.9		3,987.9
			RPTC/IDDA	8,031.7		8,031.7
Technical cooperation			**Total (gross expenditure)**	**37,105.2**	**6,895.5**	**44,000.7**
(extrabudgetary)		**65,441.1**	**Total net resources**	**37,105.2**	**6,895.5**	**44,000.7**
			Total resources (including extrabudgetary TC)			**109,441.8**

By programme

	Posts P	Posts GS	Regular and operational budgets	Technical cooperation (extrabudgetary)	TOTAL
C.1. Industrial Governance and Statistics	17.0	21.0	11,251.5	5,161.0	16,412.5
C.2. Investment and Technology Promotion	21.0	16.0	9,201.7	31,316.1	40,517.8
C.3. Quality and Productivity	8.0	6.0	4,655.9	15,403.6	20,059.5
C.4. Small Business Development	17.0	10.0	7,874.9	13,560.4	21,435.3
C.5. Information Networks and Knowledge Management	14.0	17.5	9,508.3		9,508.3
C.6. Direction and Management	3.0	5.0	1,508.4		1,508.4
C. Total major programme	**80.0**	**75.5**	**44,000.7**	**65,441.1**	**109,441.8**

Objective

C.1. The objective of the Major Programme is to ensure that in the current economic climate of globalization, which is bringing with it unprecedented challenges, opportunities and risks, the target is the reduction of poverty through wealth creation. The principle objective is to ensure that developing countries as well as economies in transition get clear access to knowledge, skills, information and technology relevant to industrialization and transformation. A higher level of knowledge, skills and technology will attract a greater level of investment and trade, contributing to economic growth, employment generation and eventually poverty reduction. The Major Programme, collectively through its four substantive programmes, will tackle critical industrial problems, especially those faced by the poorest countries, such as a lack of industrial competitiveness and performance due to under-capitalization and low levels of technology and skills. Of increasing relevance in the way this Major Programme delivers its services will be information and communications technology and the UNIDO-wide web-based business tool known as the UNIDO Exchange.

Programme C.1: Industrial Governance and Statistics

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
17.0	**21.0**	**38.0**	Staff costs	5,779.9	987.2	6,767.1
			Consultants	903.3		903.3
			Meetings	489.4		489.4
			Official travel	192.9		192.9
			Operating costs	431.0		431.0
			RPTC/IDDA	2,467.8		2,467.8
Technical cooperation			**Total (gross expenditure)**	**10,264.3**	**987.2**	**11,251.5**
(extrabudgetary)		**5,161.0**	**Total net resources**	**10,264.3**	**987.2**	**11,251.5**
			Total resources (including extrabudgetary TC)			**16,412.5**

C.2. The Programme provides institutional capacity-building services to enable countries to carry out analytical activities that support the formulation, implementation and monitoring of industrial strategies, policies and programmes. These include competitiveness profiles and monitoring manufacturing performance at national and global levels. It also establishes a mechanism for more effective policy design and implementation.

C.3. The cornerstone of the programme is the Knowledge Centre on Industrial Strategies, encompassing UNIDO's flagship World Industrial Development Report, industrial competitiveness surveys, industrial policy briefing notes, and targeted research as well as the industrial statistics database, system of industrial development indicators and associated empirical economic research.

C.4. In accordance with UNIDO's United Nations system mandate, the Programme also collects, compiles and disseminates timely, comparable and high quality industrial statistics, which is used by researchers worldwide.

Context

C.5. Inadequate governance inhibits the growth potential of domestic industries. At the same time, liberalization, globalization and rapid technological change constantly alter the competitive environment in which firms operate. Governments, therefore, must adapt their role to assist domestic enterprises to compete in the international arena. Institutions and industries of developing countries typically operate in a situation of incomplete or imperfect information and rarely possess the knowledge, skills and organizational capacities necessary to formulate appropriate industrial strategies, policies and programmes.

Objective

C.6. The objective of the Programme is to build capability in Governments and institutions that support businesses; it aims to improve the knowledge and analytical skills required to formulate, implement and monitor industrial strategies, policies and programmes.

C.7. The other objective is to improve the quality of industrial-related research and decision-making by disseminating worldwide UNIDO-generated economic information on industry—global or multi-country in scope—in the form of industrial statistics, derived statistical indicators, and other research results.

Services provided and expected outputs

C.8. During the biennium, the Programme will focus on the following services and outputs:

01: Policy advice:

(a) Support policy design, implementation and monitoring;

(b) Assist the public and private sectors to draw sectoral competitiveness profiles. Diagnostic surveys are conducted using tested methods such as UNIDO's "Made in Country X" to identify strengths and weaknesses, opportunities and threats;

(c) Assist in the establishment of permanent public-private partnerships at country or local level to enable stakeholders to share strategic information, design joint strategies and formulate consistent policies and programmes. Tools such as a game-theory framework developed by UNIDO are used by this service;

(d) Help streamline and improve policy processes, while reflecting the interaction of several stakeholders with distinct and diverse objectives. Advice on faster and simpler procedures consistent with the objectives and strategies of all stakeholders is provided;

(e) Advise Governments in enforcing competition policies through appropriate reforms of the regulatory environment. This service is based on experience gained from the constant monitoring of successful policy experiences worldwide;

(f) Develop national capacities to monitor manufacturing performance and track the evolution of the main determinants of industrial growth from a sector- or economy-wide perspective by relying on worldwide databases such as the "Scoreboard of Industrial Performance and Capabilities", and comparative analyses available at the UNIDO Knowledge Centre (see paragraph C.9 01 (c)).

02: Organizing national and regional exchange platforms:

(a) Promote and support a network of dynamic locations in industrialized and developing countries to facilitate exchange of information and experience, and cooperation in local development strategies and initiatives;

(b) Promote cooperation among groups of countries faced with similar development challenges by organizing regional dialogue on policy issues through seminars and networking of regional research institutions.

Global forum functions

C.9. During the biennium, the Programme will provide the following:

01: Industrial governance:

(a) Manage a dynamic Knowledge Centre on Industrial Strategies, which will provide information to and facilitate exchange of experiences between public and private stakeholders involved in the formulation, implementation and monitoring of industrial strategies, policies and programmes. The Knowledge Centre will be supported by a network of research centres of developing and industrialized countries, which will undertake policy- and action-oriented research issues related to the process of industrialization under the new conditions of globalization and technological innovation.

This Knowledge Centre will both feed from, and support related technical cooperation services; it will serve as the source for regular publications on industrial development issues of global relevance;

(b) Publish an annual World Industrial Development Report. This flagship publication provides information and analysis to policy-makers, business leaders and institutions to assist them to better understand the process of innovation and learning in developing countries and the challenges and opportunities of globalization and new technologies. It will provide information of relevance to the formulation of strategies, policies and programmes to support innovation and learning, as well as on the organization of appropriate support systems to promote entrepreneurship and mobilize information, knowledge, skills and business partners;

(c) Develop, maintain and publish a "Scoreboard of Industrial Performance and Capabilities", which will monitor the main determinants of manufacturing progress in a sample of more than 90 countries. The Scoreboard will allow for cross-country benchmarking of industrial development patterns.

02: Issue various publications such as:

(a) Surveys of global value chains;

(b) Country surveys of industrial competitiveness;

(c) Industrial policy briefs.

03: Compilation and continuous improvement of industrial statistics:

(a) Industrial statistics collection, preparation and presentation: Collection includes contacting the sources—180 national statistical offices, but also other national and international sources; providing media and routines adapted to the reporting capability of the source; providing feedback to the sources with queries concerning dubious data or services such as pre-filled questionnaires, amended data, reference data where reports of respondents are related to those of other respondents, projections and metadata. Data preparation includes data entry, data editing, data supplementing, inputting missing observations and projections. Data presentation includes tabulations, construction of indicators, design of statistical reports as well as the systematic descriptions of statistical data and the processes behind them;

(b) Promotion of international recommendations: This includes contributing, through papers and participation to international meetings, to the dissemination and application of the recommendations made to world users and producers of data by the Statistical Commission in matters relevant to industrial statistics;

(c) Data-acquisition support: It includes guiding users in search for data or indicators that could be relevant in describing or treating their problem. It includes customized face-to-face help functions as well as off-the-shelf metadata needed to support a data search starting from vaguely expressed information needs;

(d) Output dissemination: This includes the dissemination to all users of the UNIDO INDSTAT databases. The resulting databases offer a unique source of information used by hundreds of private subscribers and international organizations worldwide. Perhaps the most distinctive characteristic of this information is that it is established at the level of industrial branches and, in some instances, sub-branches;

(e) Statistical research and development: It includes not only the methodological activities to improve the data and to maintain the databases, but also research and publications based on the first-hand data available to UNIDO;

(f) Participation in international statistical surveys: UNIDO survey specialists join international surveys to introduce new methods to collect and process industrial statistics. The data collected in the field are inserted in the UNIDO databases for further analysis and dissemination.

Programme C.2: Investment and Technology Promotion

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
21.0	**16.0**	**37.0**	Staff costs	4,359.3	2,504.9	6,864.2
			Consultants	124.9		124.9
			Meetings	52.0		52.0
			Official travel	157.4		157.4
			Operating costs	187.5		187.5
			RPTC/IDDA	1,815.7		1,815.7
Technical cooperation			**Total (gross expenditure)**	**6,696.8**	**2,504.9**	**9,201.7**
(extrabudgetary)		**31,316.1**	**Total net resources**	**6,696.8**	**2,504.9**	**9,201.7**
			Total resources (including extrabudgetary TC)			**40,517.8**

C.10. The Programme comprises advisory and institutional capacity-building services to promote investment and technology flows and to facilitate business alliances. These services aim at: (a) establishing/strengthening national Investment Promotion Agencies as one-stop shops for investment promotion as well as technology centres and technology support institutions to assist enterprises with the assessment, transfer and management of new and appropriate technologies; (b) assisting Governments in improving investment climate and designing investment-related policy instruments; (c) developing technology foresight programmes to support technology policy and strategies; (d) providing advisory services throughout the entire investment and technology promotion cycles from formulation of business proposals up to locating potential investors and sources of funds; and (e) establishing/maintaining subcontracting and partnership exchanges (SPX) to identify and promote manufacturing capacities and capabilities of local SMEs. An important new feature is the increased use of on-line applications.

C.11. The Programme is supported by UNIDO's network of Investment and Technology Promotion Offices (ITPOs) and its Internet information platform "UNIDO Exchange".

Context

C.12. The global economy has become knowledge- and technology-driven, but while innovation and rapid technological changes are the reasons for unprecedented prosperity and growth in industrialized countries, many developing countries and countries with economies in transition are risking marginalization by being trapped in a technology divide and an investment gap. Foreign direct investment and acquisition of technology are indispensable elements for the economic transformation these countries require to achieve sustainable economic growth and to eradicate poverty. Although SMEs in developing countries and countries with economies in transition are considered to be an engine of economic growth, they face

enormous difficulties in attracting investors and accessing technology. Barriers include the lack of effective investment and technology promotion policies, inappropriate legal and regulatory frameworks, inadequate capabilities of investment promotion and technology support institutions, and the lack of access to potential investors and sources of new technology.

Objective

C.13. The objective of the Programme is to help developing countries and economies in transition to bridge the investment gap and the technology divide by strengthening their capacities to attract investment for industrial projects, assisting them in the acquisition of new technologies, and establishing sustainable mechanisms for the promotion of business alliances.

Services provided and expected outputs

C.14. During the biennium, the Programme will focus on the following services and outputs:

01: Enhancement of national policies, strategies and regulatory frameworks for investment and technology promotion:

(a) Assist Governments to design or enhance policies, strategies and instruments for investment and technology promotion within the new economic context as well as strengthen related legal and regulatory frameworks;

(b) Assist Governments with the development or enhancement of technology foresight programmes to define future orientation of technology programmes in accordance with rapid technological change.

02: Building institutional capabilities in investment and technology promotion:

(a) Establish or strengthen national investment and technology promotion institutions and upgrade their capacities in the identification, formulation, appraisal and promotion of investment and technology projects and technology transfer negotiations;

(b) Provide opportunities for staff of national investment- and technology-related institutions to upgrade their skills through on-the-job advanced training in the ITPO under Delegates Programme;

(c) Establish or strengthen international and national technology centres to enhance North-South and South-South technology flows in order to achieve innovation results; to bring advanced and new appropriate technologies to the market place; to facilitate technology sourcing, transfer and acquisition; and to assist in managing technological change;

(d) Assist public- and private-sector institutions to establish or strengthen national subcontracting partnership exchanges (SPXs);

(e) Undertake training programmes in regional and national financial institutions in developing countries and economies in transition in contemporary investment promotion techniques, UNIDO's on-line promotional tools and project financial appraisal methodologies;

(f) Assist Governments in the formulation, packaging and promotion of "private financing of industrial infrastructure" projects.

03: Promotion of business alliances:

(a) Support national investment- and technology-related institutions in their efforts to develop business alliances with foreign partners by providing access to potential investors and technology suppliers;

(b) Facilitate completion of investment and technology projects by disseminating screened and appraised project proposals among financial institutions interested in seeking direct investment opportunities in developing countries and economies in transition.

Global forum functions

C.15. During the biennium, the Programme will:

(a) Monitor technological developments and trends and examine the underlying driving forces: On this basis, develop guidelines and methodologies for technology foresight programmes as a decision-making tool for technology policy and long-term industrial development;

(b) Offer an institutionalized IT platform for on-line assistance: Promotion of investment and technology; sharing and dissemination of knowledge; strengthening the capacities of investment promotion agencies, technology centres, subcontracting partnership exchanges (SPXs) and other members of the "UNIDO Exchange" community;

(c) Organize regular meetings, workshops and seminars for national counterpart institutions, representatives of sister organizations (such as Foreign Investment Advisory Service (FIAS), Multilateral Investment Guarantee Agency (MIGA) and UNCTAD) and a standing advisory panel of representatives from the private sector to facilitate follow-up and to update UNIDO methodologies;

(d) Develop, update and publish manuals, guidelines and training modules as well as on-line services for investment promotion, technology management and technology transfer;

(e) Develop and maintain new advanced versions of UNIDO's COMFAR financial project appraisal software system to meet new information technology requirements;

(f) Maintain a global outsourcing and suppliers network and improve its efficiency by application of new "Outsourcing 2000" software.

Programme C.3: Quality and Productivity

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
8.0	6.0	14.0	Staff costs	1,595.7	1,017.3	2,613.0
			Consultants	61.4		61.4
			Meetings	62.4		62.4
			Official travel	35.6		35.6
			Operating costs	250.9		250.9
			RPTC/IDDA	1,632.6		1,632.6
Technical cooperation			**Total (gross expenditure)**	**3,638.6**	**1,017.3**	**4,655.9**
(extrabudgetary)		**15,403.6**	**Total net resources**	**3,638.6**	**1,017.3**	**4,655.9**
			Total resources (including extrabudgetary TC)			**20,059.5**

C.16. This Programme assists countries in building capacity to support industries in increasing manufacturing value added, competitiveness, employment and for trade facilitation, thereby fostering the effective integration and participation of developing countries and economies in transition in the world traditional and e-economy. It focuses on upgrading industrial enterprises in terms of management, shop floor activities, increasing productivity, improvement of product quality, costing, and safety; on upgrading the national and regional industrial quality infrastructure through the establishment of national standards, primary and secondary metrology systems, calibration facilities, testing procedures, laboratory accreditation systems and consumer protection infrastructure; and on promoting international recognition of measurements, accreditation systems, certificates and quality systems.

Context

C.17. International economic exchanges have grown exponentially over recent years and have become a major source of economic growth and social development. Enterprises in developing countries are more and more excluded from the new production and trade patterns. The lack of quality and productivity infrastructure, services and related skills prevents the enterprises from accessing global markets and from integrating into international production and supply chains.

C.18. To survive in a competitive global production and trade environment, enterprises have to offer competitive, safe, reliable and cost-effective products. Enterprises have to increase their productivity and competitiveness to increase manufacturing value added, to maintain or increase employment and to increase their export and domestic market shares, while better protecting the environment. Industrial enterprises are increasingly aware of the need to improve product quality and productivity; however, they typically do not have the knowledge and skills to develop and implement appropriate quality management system solutions.

C.19. Developing countries also need to assist their industries and concerned government institutions to overcome or eliminate unnecessary technical barriers to trade caused by disparities in standards, metrology and conformity assessment practices between different trading partners. This requires mutually developed and recognized systems of metrology, standardization, testing and quality (MSTQ) that enhance market transparency for manufacturers and purchasers and perform important protective functions for consumers and employees. MSTQ techniques and methodologies could also be used for the establishment of an internationally recognized measuring and monitoring system to qualify and quantify mineral and agricultural exports before they are shipped to ensure revenues and preserve the natural resource base.

Objective

C.20. The objective of the Programme is to increase the availability of safer, cheaper, more reliable and better quality products that meet national and international standards.

Services provided and expected outputs

C.21. During the biennium, the Programme will focus on the following services and outputs:

01: Strengthen the legal and regulatory framework:

(a) Assist Governments with the development of a quality and productivity policy by assessing the existing policy framework and advising on the establishment of incentive and support programmes, such as quality awards;

(b) Assist Governments to develop and harmonize the legal and regulatory framework relating to quality, standardization and metrology for better protection of consumer health and safety of the environment and to act against fraud by assessing the existing framework and providing advice on necessary adjustments.

02: Standardization and conformity assessment:

(a) Establish or strengthen the capacity of existing standardization bodies by providing training, setting up subsectoral technical committees, assist with the design and implementation of awareness programmes to promote the adoption of standards at national and regional level, and assist participation in regional and international standards-setting forums and networks;

(b) Establish or strengthen the capacity of accreditation bodies for the purpose of being recognized by the International Accreditation Forum (IAF) or the International Laboratory Accreditation Cooperation (ILAC) by conducting pre-evaluations and assisting in networking and partnership arrangements with other national/regional institutions;

(c) Establish or strengthen laboratory capacities for sampling, inspection, material and product testing, including microbiological and chemical analysis by specifying testing and equipment requirements. Provide technical support for the harmonization of testing procedures, training of staff through twinning arrangements, as well as assistance in networking, partnership and agreements for conformity assessment.

03: Metrology (measurement):

(a) Establish or strengthen laboratory capacities for industrial and legal metrology by identifying calibration, verification and equipment requirements, assisting in the physical set-up and start-up of laboratories; upgrading measurement equipment according to international standards; training technicians and assistance in networking, inter-comparisons, mutual recognition arrangements and accreditation;

(b) Implement UNIDO software Measurement and Control-Chart Toolkit (MCCT) to meet the requirements related to metrological control of the ISO 9000/2000 standards.

04: Quality management and productivity improvement:

(a) The UNIDO quality approach enables the enterprises to enter into self-sustained and continuous improvements without the need for continued assistance by:

(i) Building institutional and human capacity at the level of Governments and institutions for implementing quality management methodologies and systems (TQM, ISO 9000/2000, statistical process control, etc.) through practical demonstration in groups of pilot-enterprises for improving their quality and productivity;

(ii) Promoting productivity by establishing regional and national quality and productivity centres. The centres act as one-stop-shops for productivity and quality improvements in the manufacturing sector and associated institutions by fostering production management upgrading at the level of enterprises, industrial sectors, supply chains, technology institutes and policy-related government bodies. Furthermore, through process and competitiveness benchmarking services, the centres will be able to help identify, adapt and promote best manufacturing practices;

(iii) Improving capability to monitor and increase business performance through the implementation of UNIDO business excellence software packages: PHAROS (Business Navigator) suitable for SMEs, BEST (Business Environment Strategic Toolkit) and FIT (Financial Improvement Toolkit) and MCCT (Measurement Control Chart Toolkit) for monitoring calibration of equipment and carrying out simple statistical process control.

05: Industrial restructuring and upgrading:

(a) Build capacities in public- and private-sector institutions to develop national industrial upgrading and restructuring policies, support mechanisms, including financing schemes, and restructuring and upgrading programmes;

(b) Develop national consulting capability to address the restructuring and upgrading needs.

Global forum functions

C.22. During the biennium, the Programme will:

(a) Foster linkages and cooperation among regional and international organizations such as ISO, WTO, ILAC, IAF, International Organization of Legal Metrology (OIML) and regional and international standardization and accreditation bodies to facilitate networking, promotion of mutual recognition of certificates and harmonization of standards;

(b) Monitor global trends in standardization, conformity assessment, metrology and testing to promote awareness and strengthen the trade capacity of developing countries through applied research and benchmarking studies, training and participation in international conferences;

(c) Carry out and disseminate benchmarking analyses to identify best practices of standardization bodies and laboratories;

(d) Develop and improve business excellence tools such as BEST, FIT and PHAROS, and printed material for upgrading of business performance such as the manual on diagnostic for restructuring and upgrading through applied research and benchmarking studies in quality management, industry modernization and productivity.

Programme C.4: Small Business Development

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
17.0	**10.0**	**27.0**	Staff costs	3,812.9	1,469.6	5,282.5
			Consultants	97.2		97.2
			Meetings	127.2		127.2
			Official travel	68.7		68.7
			Operating costs	183.7		183.7
			RPTC/IDDA	2,115.6		2,115.6
Technical cooperation			**Total (gross expenditure)**	**6,405.3**	**1,469.6**	**7,874.9**
(extrabudgetary)		**13,560.4**	**Total net resources**	**6,405.3**	**1,469.6**	**7,874.9**
			Total resources (including extrabudgetary TC)			**21,435.3**

C.23. The Programme comprises capacity-building services for the design and implementation of effective SME policies and the development of a coherent set of specialized support institutions to stimulate and promote SME development such as business centres and incubators as well as local business systems based on SME clusters, networks and private sector partnerships. Special emphasis is placed on rural areas and on reducing the gender gap through the promotion of women's entrepreneurship. Various analytical tools, training programmes and best-practice guidelines, as specified below, are applied in this Programme.

Context

C.24. A competitive and resilient industrial sector relies on an appropriate mix of large, medium and small enterprises. SMEs play a leading role in creating employment, income and value added, accounting for up to 90 per cent of manufacturing enterprises and between 40 and 80 per cent of manufacturing employment. In LDCs, their role is even more important, since SMEs often offer the only realistic prospect for creating additional employment and thus reducing poverty. A healthy SME sector is, therefore, crucially important for inclusive and socially sustainable development. However, institutions providing support services are often limited in their coverage and capacity. Existing institutions are frequently poorly designed and have difficulty in providing their services effectively and efficiently. SMEs, in general, face problems associated with their size and relative isolation such as inability to achieve economies of scale and difficulties in entering into national and global value chains driven by large transnational corporations. The constraints of individual SMEs include limited technical and managerial skills, difficulty in obtaining financing and insufficient knowledge about laws and regulations.

Objective

C.25. The objective of the Programme is to contribute to competitive and equitable industrial development through strengthening national capacities for putting in place an effective SME policy framework and specialized public- and private-sector support institutions for SMEs.

Services provided and expected outputs

C.26. During the biennium, the Programme will focus on the following services and outputs:

01: Development and implementation of SME policies:

(a) Strengthen the capacity of the public and private sectors to formulate and implement national and regional policies, strategies and programmes to promote SME development as well as to monitor their effectiveness. This is done by setting up consultative mechanisms, supporting strong departmental SME advocacy units in Government and strengthening their capacity to collect and analyze SME-related information;

(b) Improve the regulatory framework for SME development by reviewing existing laws, administrative rules and procedures; developing recommendations for corrective measures; training public administrators and disseminating information to raise entrepreneurs' awareness of regulatory and administrative issues affecting their business operations.

02: Development of local business systems:

(a) Promote the collective efficiency of SME clusters and networks by undertaking diagnostic studies, developing a joint vision, formulating a network/cluster action plan, and establishing cooperation with similar networks/clusters for benchmarking and exchange of best practices;

(b) Build multi-sector partnerships and strategic knowledge alliances between UNIDO, transnational corporations, SMEs, business associations, research and other civil society organizations within specific manufacturing subsectors aimed at integrating SMEs into global value chains.

03: Business advisory services:

(a) Establish or strengthen business centres and other business advisory mechanisms to provide targeted services for SMEs by assisting in the design of their organizational structure, determining the mix of services to be provided, and training staff in the provision of basic or more sophisticated business support to entrepreneurs;

(b) Design and implement programmes that build capacity to promote business incubators to support new businesses during their start-up and early growth phase. This is done by promoting awareness of the concept among potential incubator developers and sponsors, preparing a framework for development and advising on specific feasibility and operational issues.

04: Rural entrepreneurship development:

(a) Support Governments and other stakeholders in designing programmes in support of national poverty reduction strategies through promoting rural micro and small enterprises and in improving the enabling policy and regulatory environment at the local level;

(b) Strengthen affordable and effective business development services in rural areas to develop entrepreneurial, managerial and technical skills, with emphasis on micro enterprises and self-help capacities of civil society institutions, and facilitate access to finance schemes bridging the gap between micro-finance and commercial bank finance.

05: Women's entrepreneurship development:

(a) Strengthen the capacity of public and private support institutions to identify and alleviate the constraints faced by women entrepreneurs by equipping these institutions with tools to formulate and implement targeted skills enhancement programmes and by organizing training of trainers courses;

(b) Organize, on a pilot basis, managerial and technical skills development programmes for women entrepreneurs at the level of selected industrial subsectors such as food-processing and textiles, with emphasis on micro and small enterprises.

Global forum functions

C.27. During the biennium, the Programme will:

(a) Participate in the Donor Committee for Small Enterprise Development which—based on a broad membership from both multilateral and bilateral development agencies—seeks to develop best practices of SME promotion through donor interventions;

(b) Undertake action-oriented research and issue technical working papers covering lessons learned from programmes and projects as well as contributions to the general debate on private sector and SME development;

(c) Cooperate with OECD in the Forum on Enterprise and Entrepreneurship Development and with UNDP on the regular updating of the *United Nations Inter-agency Resource Guide for Small Enterprise Development*.

Programme C.5: Information Networks and Knowledge Management

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
14.0	**17.5**	**31.5**	Staff costs	4,115.2	916.5	5,031.7
			Consultants	16.5		16.5
			Official travel	11.0		11.0
			Operating costs	461.2		461.2
			Information and comm. techn.	3,987.9		3,987.9
			Total (gross expenditure)	**8,591.8**	**916.5**	**9,508.3**
			Total net resources	**8,591.8**	**916.5**	**9,508.3**

C.28. The Programme provides a stable infrastructure and modern information and communication technologies (ICTs) for the whole of UNIDO. It implements and maintains mission-critical ICT-based production applications and provides support for end-users of ICT-based installations. It is responsible for the introduction and maintenance of knowledge management tools and techniques throughout UNIDO and is the ICT focal point for the United Nations system.

Context

C.29. In order for UNIDO staff to be as effective and efficient as possible, they need permanent access to modern ICTs. This includes up-to-date hardware and software as well as access to a fast stable internet connection. Similarly, it is important to support the re-engineering of the Organization's business processes and the underpinning ICT infrastructures to achieve more productive, efficient and valuable use of information. To be as competitive as possible, the Organization also has to manage its knowledge assets, both tacit and explicit, properly. This can only be achieved by the introduction and use of modern knowledge management tools and techniques.

Objective

C.30. The objective of the Programme is to provide technology vision and leadership for developing and implementing ICT initiatives that support the business processes and goals of the Organization.

Services provided and expected outputs

C.31. During the biennium, the Programme will focus on the following services and outputs:

(a) Sets standards, policies and procedures;

(b) Provides forward planning and alignment with organization business process;

(c) Acts as liaison between services and end-users;

(d) Coordinates ICT projects;

(e) Secures and implements the required infrastructure;

(f) Operates and maintains the production facilities;

(g) Provides for security and administration of the facilities;

(h) Monitors service levels, resource utilization and performance.

Programme C.6: Direction and Management

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
3.0	**5.0**	**8.0**	Staff costs	1,398.3		1,398.3
			Official travel	101.1		101.1
			Operating costs	9.0		9.0
			Total (gross expenditure)	**1,508.4**		**1,508.4**
			Total net resources	**1,508.4**		**1,508.4**

C.32. Direction and Management's main function is tying the five substantive programmes to a common objective by providing them with the overall vision and direction in implementing their objectives sand services effectively and with maximum value added within the framework of Major Programme C. Additionally, it manages the UNIDO-wide information technology and management function.

Context

C.33. The key drivers in today's industrial environment are the globalization of manufacturing activity, trade and investment. This Programme provides general management for Major Programme C, which provides the overall framework for UNIDO's global forum and technical cooperation activities in industrial governance and statistics, investment and technology promotion, quality and productivity, private sector development as well as information networks and knowledge management.

Objective

C.34. The objective of the Programme is to provide management and control of the services of Major Programme C, in order to ensure coordinated and effective delivery of those services within the framework of their objectives.

Services provided and expected outputs

C.35. During the biennium, the Programme will focus on the following services and outputs:

(a) Provide management of Major Programme C, including planning, coordination, monitoring and approval of work programmes and projects (including stand-alone), budgets, staff resources, promotional activities, training and administration;

(b) Assist the Director-General in the overall management of the Organization and provide representation in the capacity of Deputy to the Director-General, when required, with regard to Member States, multilateral and bilateral agencies as well as counterpart organizations involved in UNIDO technical cooperation activities;

(c) Monitor global trends in industry, particularly those relevant to the objectives and services of Major Programme C, and recommend to the Director-General appropriate changes in policies, strategies and programmes.

MAJOR PROGRAMME D:

CLEANER AND SUSTAINABLE INDUSTRIAL DEVELOPMENT

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
68.0	**49.5**	**117.5**	Staff costs	17,535.4	4,713.5	22,248.9
			Consultants	366.3		366.3
			Meetings	468.1		468.1
			Official travel	520.2		520.2
			Operating costs	418.0	530.3	948.3
			RPTC/IDDA	2,671.4		2,671.4
Technical cooperation (extrabudgetary)		**128,110.5**	**Total (gross expenditure)**	**21,979.4**	**5,243.8**	**27,223.2**
			Total net resources	**21,979.4**	**5,243.8**	**27,223.2**
			Total resources (including extrabudgetary TC)			**155,333.7**

By programme

	Posts		Regular and operational budgets	Technical cooperation (extrabudgetary)	TOTAL
	P	GS			
D.1. Agro-Industries	16.0	12.0	6,647.2	16,734.4	23,381.6
D.2. Industrial Energy and Kyoto Protocol	15.0	9.0	6,123.8	19,974.6	26,098.4
D.3. Montreal Protocol	16.0	11.0	5,952.2	60,491.2	66,443.4
D.4. Environmental Management	17.0	11.5	6,603.2	30,910.3	37,513.5
D.5. Direction and Management	4.0	6.0	1,896.8		1,896.8
D. Total major programme	**68.0**	**49.5**	**27,223.2**	**128,110.5**	**155,333.7**

Objective

D.1. The objective of the Major Programme is to provide the overall framework for all services and activities of UNIDO aimed at promoting environmentally sustainable industrial development. UNIDO's role is specifically mandated through General Conference resolutions GC.8/Res.2 on GEF-related activities and GC.8/Res.3 on sustainable industrial development.

D.2. The Major Programme supports developing countries and economies in transition to realize their aspirations for sustainable industrial development and economic growth through strengthening the industrial capacities to protect the environment and reduce and control its degradation by introducing cleaner and sustainable production, environmentally sound technologies and energy-efficiency improvements for industrial production. Also, this Major Programme aims at adding value to agricultural produce by introducing good and safe food-processing technologies, by improving the processing of hides and skins and the manufacturing of footwear and leather products, and by promoting the conversion of forest products to furniture and building supplies. Finally, the Major Programme acts as a platform for relevant global environmental issues and contributes to the development of effective approaches and exchange of experiences in this respect, in particular related to climate change and persistent toxic substances.

Programme D.1: Agro-Industries

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
16.0	**12.0**	**28.0**	Staff costs	3,763.9	1,330.6	5,094.5
			Consultants	204.8		204.8
			Meetings	182.1		182.1
			Official travel	84.8		84.8
			Operating costs	69.1		69.1
			RPTC/IDDA	1,011.9		1,011.9
Technical cooperation			**Total (gross expenditure)**	**5,316.6**	**1,330.6**	**6,647.2**
(extrabudgetary)		**16,734.4**	**Total net resources**	**5,316.6**	**1,330.6**	**6,647.2**
			Total resources (including extrabudgetary TC)			**23,381.6**

D.3. The Programme provides technical assistance and advice for capacity-building of support institutions for improving the competitiveness of agro-processing industries in the fields of food and food safety and packaging, hides and skins tanning, textile and garment production, leather products, furniture, joinery and structures from wood and non-wood forest products (e.g. bamboo), agro-machinery and tools in the field of technical innovation, upgrading and/or re-engineering of factory production lines. Assistance is also extended to enterprises for demonstration and training purposes.

Context

D.4. Agro-industrial products greatly contribute to meeting basic human needs and to sustaining livelihoods. Only a small proportion of produce is now processed and there is great post-harvest waste due to lack of storage facilities, infrastructure and poor knowledge of even basic techniques for conversion and manufacturing. Support institutions lack capacity for extension services, professional and sectoral trade associations are weak and there are few specialized consulting firms able to advise on process and machinery selection, production planning and control, waste minimization, product mix, choice of raw materials and technical inputs. Unemployment, especially in rural areas, is high and existing artisanal SMEs cannot meet the quality standards for export or compete with imports. Adding value to raw materials is the only sustainable way to create wealth at the grassroots or community level.

Objective

D.5. The objective of the Programme is to add value to agricultural produce (food, hides and skins, fibres and forest products) by introducing good, clean and safe processing technologies, new designs and production practices that meet market requirements and enhance competitiveness in the fields of food products, footwear and accessories, garments, furniture, joinery and structures. To support production of basic agro-machinery and tools and redress the deficiencies in repair and maintenance facilities, upgrade, modernize and re-engineer production of agro-machinery and strengthen the weak institutional support system and civil society organizations linked to the agro-industrial sectors.

Services provided and expected outputs

D.6. During the biennium, the Programme will focus on the following services and outputs:

01: Food sector:

(a) Services cover advice to support institutions and assisting with enterprise-level demonstration and training projects covering grain milling, bakery products, including enrichment; vegetable oils, fruits and vegetables (solar drying, canning, juicing and freezing); meat and fish; dairy products, including dried and powdered milk, yogurt and similar items; sugar and derivatives; beverages; animal feed production using crop residues and wastes, including agro-industrial by-products;

(b) UNIDO advises enterprises and helps demonstrate processing technologies, product testing and packaging procedures to ensure that products meet quality requirements, consumer health and safety (GMP and HACCP) and environmental concerns, and that they meet and maintain the product and process control standards necessary to succeed in local and export markets.

02: Leather sector:

(a) Services encompass advice to support institutions at national and regional levels and assistance in the demonstration of environmentally-friendly processes and technologies for the tanning of hides and skins as well as in application of improved processes and production technologies to ensure competitively produced high quality leather and footwear products;

(b) Assistance is provided for the establishment of footwear and leather product market intelligence systems and of leather grading standards, in training of trainers and in the design and manufacture of products;

(c) Advice is given on selection and use of equipment, process optimization (CAD/CAM), style and fashion trends and on promotion programmes for exporters.

03: Textiles sector:

(a) Assistance is given to support institutions and enterprises in demonstration of modern textile and garment production technologies to optimize production and minimize waste when cutting out garments (CAD/CAM); on the use of natural fibers and synthetics for textiles; on selection and use of equipment for spinning, weaving and knitting;

(b) Assistance is provided in the field of dyeing and finishing to help introduce computerized colorimetry and colour-matching to meet international standards and to reduce pollution from pigments;

(c) Support is given to enterprises during the phase-out of the Multi-Fibre Agreement and to help the African textile industry benefit from the US-Africa Bill.

04: Wood sector:

(a) Advice and demonstration activities are provided to increase value added to wood and non-wood (e.g. bamboo) forest products through manufacture of furniture and joinery items for building and the rational use of timber for the construction of durable structures;

(b) Coverage includes technical cooperation to apply the related wood technologies of grading, drying and preservation; product design, selection of machinery and equipment for rough milling, machining, assembly and finishing plus structural design and demonstration of structures such as bridges, housing, farm and community buildings as well as to strengthening of support institutions and sectoral associations.

05: Agro-machinery and re-engineering:

(a) Advisory services are provided to the agricultural machinery industrial system and cover the design and manufacture of basic machinery implements and tools used for agricultural production and processing, including technical inputs;

(b) Advice is also given on the establishment of rural repair and maintenance workshops for cars, trucks and tractors, farm implements, tire repair and re-treading, outboard motors, spare part manufacture and on equipment for storage, handling and packaging of processed agricultural products; and innovation, upgrading and/or re-engineering of factory production lines in agro-machinery sectors.

Global forum functions

D.7. During the biennium, the Programme will provide the following:

(a) Organization of International Food Safety Panel (called for by leaders of G-8, 28 July 2000) and associated regional seminars;

(b) Organization of the Leather Panel to advise on programmes and funding;

(c) Organization of periodic sectoral (Wood and Food) Industry Advisers Group meetings;

(d) Development of sectoral databases on machinery and equipment and on processes.

Programme D.2: Industrial Energy and Kyoto Protocol

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
15.0	**9.0**	**24.0**	Staff costs	4,121.8	630.6	4,752.4
			Consultants	78.1		78.1
			Meetings	114.4		114.4
			Official travel	236.0		236.0
			Operating costs	132.1		132.1
			RPTC/IDDA	810.8		810.8
Technical cooperation			**Total (gross expenditure)**	**5,493.2**	**630.6**	**6,123.8**
(extrabudgetary)		**19,974.6**	**Total net resources**	**5,493.2**	**630.6**	**6,123.8**
			Total resources (including extrabudgetary TC)			**26,098.4**

D.8. The Programme aims to increase the efficient and sustainable use of energy by industry in developing countries and economies in transition. It assists with the development of national energy-efficiency programmes and builds capacity, through plant-level demonstration projects, to conduct energy-

audits, identify and introduce relevant energy efficiency measures, and set up energy performance monitoring systems.

D.9. In addition, the Programme assists with the development and implementation of rural energy programmes based on clean and renewable energy sources such as biomass fuels, solar, wind and hydro-power, as well as cleaner fossil fuels such as liquid petroleum gas.

D.10. Finally, the Programme facilitates the implementation of the provisions made under the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol.

D.11. In 2000, UNIDO was awarded the status of "executing agency with expanded opportunities" by the Global Environment Facility (GEF) Council. Therefore, more programmes will be designed and implemented utilizing GEF funds.

Context

D.12. Energy is essential to economic and social development and to improving the quality of life. However, accessibility to reliable and affordable energy is very unevenly distributed, both between countries and within countries. Many developing countries—in particular LDCs—and countries with economies in transition face the urgent need to provide adequate, reliable and affordable energy services, especially electricity, to billions of people in rural areas. On the other side, the production/generation, distribution and use of energy are sources of global pollution and waste, *inter alia*, substantially increasing the atmospheric concentrations of greenhouse gases. Particularly, the importance of carbon-dioxide emissions as an environmental issue of international concern has grown substantially since 1992, when the UNFCCC was adopted because of increasing concern over rising atmospheric concentrations of greenhouse gases and their possible adverse effects on the global climate system.

D.13. World energy use has emerged at the centre of the issue and since then increased greenhouse gas emissions from fossil fuel combustion dominate the climate change debate. In this context, UNFCCC and Kyoto Protocol call for enhancement of energy efficiency and increase of new and renewable energy as well as measures to limit or reduce emissions of greenhouse gases. Global climate change mitigation particularly depends on widespread use of energy-efficiency and renewable energy technologies in all countries.

D.14. To enable developing countries and economies in transition to meet both national-development and global-climate-change goals, the multilateral funding mechanism of GEF and its partner agencies and regional development banks develop, finance and implement projects that reflect the GEF's climate change mitigation strategies. Following the adoption of resolution GC.8/Res.2, reaffirmed by the Industrial Development Board at its twenty-third session, UNIDO was accorded partnership status with the GEF Secretariat at its Council meeting in November 2000.

Objective

D.15. The objective of the Programme aims to promote transfer of technologies and increase the capacity of developing countries and countries with economies in transition to improve energy-efficiency and to provide affordable and reliable energy services especially in rural areas. Making use of multilateral financial mechanisms such as GEF, it also aims to enable developing countries and countries with economies in transition to meet both national-development and global-climate-change goals and thus respond to the opportunities presented by both UNFCCC and the Kyoto Protocol.

Services provided and expected outputs

D.16. During the biennium, the Programme will focus on the following services and outputs:

01: Rural energy:

(a) Assess the market feasibility of the introduction of commercially viable rural energy systems based on clean or renewable energy sources in cooperation with national counterparts;

(b) Assist with the design and implementation of rural energy programmes based on clean and renewable energy sources such as biomass fuels, solar, wind and hydro-power, as well as cleaner fossil fuels such as liquid petroleum gas;

(c) Strengthen the capacity of local manufacturing of appropriate energy equipment and energy systems.

02: Industrial energy-efficiency:

(a) Assist recipient countries with developing an energy-efficiency programme that would help to attain greater energy security by bridging the gap between energy demand and supply and to address broader national and global environmental concerns, including greenhouse gas emissions;

(b) Enhance energy-efficiency measures and harmonize national technical standards through and with industrial associations, and promote voluntary agreements of industry with local beneficiaries and authorities;

(c) Analyze and assess energy-intensive industrial sectors, identify the barriers to the implementation of energy efficiency measures and develop strategies for overcoming economic, institutional, regulatory and market barriers in cooperation with national counterparts;

(d) Conduct plant-level energy audits to assess the current situation, analyze the performance of existing energy-intensive equipment and machinery, and introduce appropriate housekeeping measures;

(e) Demonstrate new technologies and process options for cases when the above-mentioned measures are no longer sufficient.

03: Climate change and Kyoto Protocol:

(a) Develop methodologies for the Clean Development Mechanism (CDM) and Joint Implementation under the Kyoto Protocol to assist the effective implementation of those mechanisms overall and to assist developing countries in their implementation;

(b) Strengthen institutional capacity in developing countries to correctly apply the guidelines and methodologies for the development and implementation of projects under the CDM and Joint Implementation under the Kyoto Protocol;

(c) Act under a GEF partnership as executing agency with expanded opportunities for the preparation and implementation of GEF-funded projects in line with the GEF climate change mitigation strategies;

(d) Seek international collaboration, especially with international and regional organizations, development banks and energy technology centres.

Global forum functions

D.17. During the biennium, the Programme will:

(a) Be involved in a number of activities in the energy field to enhance the awareness of energy and climate change problems, and to develop the strategy and methodologies to solve the problems. These activities include those under the UNFCCC and Kyoto Protocol process, such as CDM and Joint Implementation, as well as those specifically targeting energy concerns of LDCs;

(b) Carry out activities bringing stakeholders together to discuss, recommend solutions and take action to help to reduce poverty through provision of energy services in the least developed regions;

(c) Actively take part in the Rio+10 preparations and the main event;

(d) The form of activities described above includes preparation of technical papers/studies, organizing national, regional and international meetings, involvement with activities of other stakeholders, hosting business and industry events, participation in main forums and so on.

Programme D.3: Montreal Protocol

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
16.0	**11.0**	**27.0**	Staff costs	3,950.4	1,204.8	5,155.2
			Consultants	40.7		40.7
			Official travel	80.4		80.4
			Operating costs	145.6	530.3	675.9
Technical cooperation			**Total (gross expenditure)**	**4,217.1**	**1,735.1**	**5,952.2**
(extrabudgetary)		**60,491.2**	**Total net resources**	**4,217.1**	**1,735.1**	**5,952.2**
			Total resources (including extrabudgetary TC)			**66,443.4**

D.18. The Programme supports the phase-out of ozone depleting substances (ODS) in developing countries and economies in transition. It helps decision-makers in Governments, local authorities and industry to develop and adopt policies and environmentally sound technologies. It provides services in designing, implementing, maintaining and in the evaluation of ODS phase-out programmes and projects in the aerosols, foams, solvents, refrigeration, tobacco and in the fumigants sectors.

D.19. In delivering services directly to small-, medium- and large-scale enterprises, the Programme specifically focuses on the application of an integrated preventive environmental strategy to processes, products and services. This approach is considered necessary for building new capacities for the management of clean technologies, handling of alternative chemicals, adoption of safety practices to reduce risks to humans and environment. It further ensures sustainability through quality.

Context

D.20. In the past, the lack of knowledge about atmospheric chemistry and processes resulted in stratospheric ozone depletion. Man-made chemicals, especially chlorine and bromine compounds such as, chlorofluorocarbons (CFCs), halons, and a broad range of industrial chemicals used as aerosol propellants, refrigerants, fire retendants, solvents, process agents, foaming agents and fumigants, attack the ozone layer and are recognized as ODSs. The depletion of the ozone layer allows ultraviolet – B radiation to reach the ground, which could raise the incidence of skin cancer, cataracts, and other adverse effects on human immune system. Moreover, the climate change is enhanced disturbing the ecological food chains, affecting agriculture, fisheries and biological diversity.

D.21. The Vienna Convention on Protection of the Ozone Layer (1985) and the subsequent Montreal Protocol on Substances that Deplete the Ozone Layer (1987) form the basis for global cooperation for the protection of the ozone layer. As of May 2000, 173 countries ratified the time schedule to "freeze" and reduce consumption of ODSs. In this context, the developing countries (Article 5 Parties) have agreed to freeze most of CFC consumption as of 1 July 1999 based on 1995-1997 averages, to reduce consumption by 50 per cent by 1 January 2005 and to fully eliminate CFCs in 2010. For methyl bromide, used mainly as a fumigant, developing countries will freeze their consumption by 2002 based on average 1995-1998 consumption levels.

D.22. With the onset of the freeze on CFC production and consumption, the Article 5 countries—63 of which are assisted by UNIDO—are entering a new phase. The "grace period" marked by no control measures under the Montreal Protocol is no longer valid, and these countries are now in the "compliance" period in which they have to achieve specific reductions in national ODS phase-out programmes. With the move into the compliance period, the importance of the country-driven and compliance-based approach has now been recognized, providing the Article 5 countries further flexibility in the use of approved funding of their phase-out processes. UNIDO, as one of the four implementing agencies of the Montreal Protocol since 22 October 1992, continues to assist the developing countries in their national processes within the agreed time frame and modality.

Objective

D.23. The objective of the Programme aims to support developing countries (Article 5 Parties) in complying with the provisions of Montreal Protocol, through strengthening of national capacities for the transfer, adoption and assimilation of environmentally sound (non-ODS) technologies.

Services provided and expected outputs

D.24. During the biennium, the Programme will focus on the following services and outputs:

01: Policy, strategy and programme design:

(a) Assist Governments in the preparation of policies, strategies and national programmes and in updating relevant data and information for the phasing out of ODS (by assisting them in the identification of technology options and the most effective ODS-related activities);

(b) Assist Governments in the preparation of sectoral surveys and profiles to define specific strategies and requirements in sectors (e.g. process agents for pharmaceutical and tobacco and for developing industrial rationalization concepts for SMEs).

02: Support institutions:

(a) Assist in the establishment of national demonstration and training centres to provide awareness and training for industrial and agricultural technical personnel and plant managers in the management and handling of non-ODS technologies as well as in identifying and testing alternatives to the use of specific fumigants, such as methyl bromide;

(b) Assist the local authorities through institution-building projects in establishing National Ozone Units, in training of national experts (Ozone Officers, Customs Officers, etc.) in the preparation of regulations, codes of good servicing, maintenance, safety and production practices (by the preparation of refrigerant management plans) and in techniques of demolishing of equipment.

03: Direct support to enterprises by project implementation:

(a) Assist the industry in the identification and implementation of state-of-the-art non-ODS production technology by assessing respective capital and operational costs and safety issues, assisting in the transfer of clean (non-ODS) technology, including the use and/or acquisition of overseas technology rights, equipment procurement, the conversion of production lines, retrofitting, maintenance, recovery and recycling, training of staff, commissioning of production lines and quality certification;

(b) Assist the industry in phasing out the use of specific fumigants, such as methyl bromide (by identifying and testing national alternatives and providing advice on their implementation);

(c) Assist industry in industrial rationalization through large-scale umbrella projects, optimizing available funds and contributing to the sustainability and market competitiveness of "grouped" SMEs.

Global forum functions

D.25. During the biennium, the Programme will provide the following:

01: Compulsory protocol functions:

(a) Attend regularly (three times per year) the sessions organized by the Executive Committee of the Multilateral Fund for annual business plans, project approvals and discussions on policy issues and for reporting on annual work plans;

(b) Attend inter-agency coordination and advisory group meetings organized by the Montreal Protocol Secretariat and UNEP to review technical and economic issues concerned with the effective use of funding, formulation of projects, emerging technologies and chemicals, evaluation and reporting schemes and on data processing;

(c) Attend regional networking meetings organized by UNEP, as technical experts to review with Ozone Officers any technical, economic and policy issues related to formulation and implementation of projects, technologies, products and adoption of new policies for compliance and planning.

02: Other organizational functions:

(a) Organize regional workshops in cooperation with UNEP to disseminate information and provide advice based on UNIDO's experience in sectors where the Organization has the leading position (e.g. methyl bromide, process agents);

(b) Organize expert group meetings for consultations on the implications of new technological trends, new chemical alternatives and/or on the common constraint areas of SMEs;

(c) Preparation of country-specific publicity materials and an updated mobile exhibition reflecting the Organization's achievements, activities and experience in relevant areas.

Programme D.4: Environmental Management

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
17.0	**11.5**	**28.5**	Staff costs	4,111.8	1,310.0	5,421.8
			Consultants	42.7		42.7
			Meetings	171.6		171.6
			Official travel	51.0		51.0
			Operating costs	67.4		67.4
			RPTC/IDDA	848.7		848.7
Technical cooperation			**Total (gross expenditure)**	**5,293.2**	**1,310.0**	**6,603.2**
(extrabudgetary)		**30,910.3**	**Total net resources**	**5,293.2**	**1,310.0**	**6,603.2**
			Total resources (including extrabudgetary TC)			**37,513.5**

D.26. The Programme builds institutional capacities for developing cost-effective industrial environmental regulations and incentive frameworks, and provides services promoting the integration of environmental considerations into industrial development polices and strategies.

D.27. It assists the private and public sectors to remove persistent organic pollutants (POPs) and persistent toxic substances from manufacturing processes and establishes national cleaner production centres (NCPCs) as a mechanism to promote the introduction and diffusion of environmentally sound technologies, process improvement practices and methodologies.

D.28. It assists the private and public sectors with the implementation of pollution-control and waste-management systems.

D.29. It provides services for developing integrated ecosystem management encompassing ecosystem productivity, preservation of natural resources, pollution, environmental health and safety, improved socio-economic conditions and governance on a regional basis.

Context

D.30. Few now doubt that the continuing degradation of the natural environment poses one of the deepest challenges to modern industrial societies. Major problems include global warming, loss of biodiversity, water and air pollution, POPs and toxic substances, and soil erosion. Institutions and industries of developing countries and economies in transition face several constraints in combating the loss of natural environmental resources at the national level and emerging environmental issues of a transboundary, regional and global nature.

Objective

D.31. The objective of the Programme is to increase the capacity of developing countries and economies in transition to protect the environment and reduce and control its degradation by introducing environmentally sound non-combustion technologies, remediation technologies, pollution-control and waste-management systems.

Services provided and expected outputs

D.32. During the biennium, the Programme will focus on the following services and outputs:

01: Environmental planning and policy formulation

(a) Assist Governments in preparing audits of environmental status enabling the cost-benefit analysis of environmentally sound non-combustion technologies and alternative remediation technologies, and the development of sustainable environmental policies and action plans;

(b) Build the capacities of Governments to enforce environmental policy and monitor compliance with regulations through the strengthening of their infrastructure and human resources, thereby enabling them to formulate sector-specific pollutant discharge standards, prepare and operate sustainable regulatory regimes and implement monitoring programmes;

(c) Assist Governments to operate collectively in the management and sustainable use of integrated transboundary river basin, wetland, coastal zone and large marine ecosystems;

(d) Strengthen the capacity of public- and private-sector institutions, at national, regional and provincial levels, to evaluate the relative contributions of different industrial subsectors to sustainable development and thus to formulate and implement cost-effective and consensus-based environmental policies and regulations for industry.

02: Cleaner and sustainable production:

(a) Establish and strengthen NCPCs, which raise awareness in the private and public sectors of the purpose and benefits of cleaner production, and assist enterprises with the implementation of environmental management systems and the identification, evaluation, and financing of cleaner production options;

(b) Assist Governments, institutions and enterprises with the removal from manufacturing processes of POPs and persistent toxic substances through the introduction of substitutes or alternative environmentally sound non-combustion technologies;

(c) Develop and disseminate expert systems for environmental impact assessment;

(d) Promote cleaner environmental practices such as bio-and phytoremediation in the public and private sectors;

(e) Develop information systems consistent with the Clearinghouse Mechanism of the Convention of Biological Diversity.

03: Pollution control and waste management:

(a) Assist the private and public sectors (including local government) to identify, evaluate and implement pollution-control and waste-management systems and to apply new bioremediation technologies to the clean-up of polluted industrial sites and areas;

(b) Strengthen the capacity of subsector institutions to assist enterprises to evaluate and take up environmentally sound non-combustion technologies, thereby decreasing emissions of polluting by-products such as POPs (dioxins and furans);

(c) Assist the artisanal and small-scale gold mining sector to minimize the discharge of highly poisonous mercury used in gold extraction through the introduction of technologies for its safe handling within closed systems.

Global forum functions

D.33. During the biennium, the Programme will provide the following:

01: Indicators of sustainable development and triple bottom line:

(a) Convene two expert group meetings, whose conclusions will be included in its interventions and presentations at Rio + 10 (summer 2002). The first will be a peer review of UNIDO's assessment of whether industrial development in developed and developing countries has converged on or diverged from sustainable development targets over the past decade and what measures can be taken to accelerate convergence. The second will assess the global supply chain effects of corporate responsibility efforts of transnational corporations and how exporters in developing countries can best respond to the new social and environmental requirements while at the same time remaining competitive.

02: Biodiversity:

(a) Analyse critical issues affecting the development and use of genetically modified organisms, as well as their impact on biodiversity and the sustainable utilization of biological resources.

03: Millennium Declaration:

(a) Contribute to the implementation of the Declaration, in particular through activities—in coordination with WHO—to provide safe drinking water. UNIDO will seek to identify, develop and deploy environmentally sound management strategies and technologies to overcome potential contaminants such as arsenic and fluoride.

04: Environmentally sound management of chemicals, POPs and toxic substances:

(a) Cooperate and coordinate UNIDO activities in the context of the inter-organization programme for the sound management of chemicals, with UNEP, ILO, FAO, WHO, UNITAR and OECD.

05: International waters:

(a) Participate in the two ACC Sub-Committees on Water Resources and Oceans and Coastal Areas, where UNIDO partners are UNEP, ILO, FAO, WHO, UNITAR, OECD, CSD, and UNESCO.

Programme D.5: Direction and Management

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
4.0	**6.0**	**10.0**	Staff costs	1,587.5	237.5	1,825.0
			Official travel	68.0		68.0
			Operating costs	3.8		3.8
			Total (gross expenditure)	**1,659.3**	**237.5**	**1,896.8**
			Total net resources	**1,659.3**	**237.5**	**1,896.8**

D.34. This Programme ensures the effective management and coordination of all services and activities under the Major Programme and provides policy guidance for the substantive work programmes of the Division. It incorporates also the former Programme C.6 – Upgrading Agro-industries and Related Technical Skills, renamed Agro-industries Technology Support.

Context

D.35. Within the Division, the Programme particularly ensures coordination of activities related to major international protocols and conventions (Montreal Protocol, Kyoto Protocol, Global Environment Facility, Commission on Sustainable Development, Persistent Organic Pollutants Convention) as well as participation in various international forums and key multilateral events, discussions with representatives of Governments and other United Nations bodies. The Programme is also responsible for monitoring and reporting on the Division's human and financial resources and overall performance and providing various administrative support services to the branches in the Division, including administering the staff development programme.

Objective

D.36. The objective of the Programme is to provide effective and efficient management and strategic direction to all services and activities of the Major Programme and to ensure coordination and cooperation among the service modules and programmes within UNIDO.

Services provided and expected outputs

D.37. During the biennium, the Programme will focus on the following services and outputs:

01: Cooperation with other organizations: Promotion of participation in major international protocols and conventions (see paragraph D.35 above) to ensure visibility of the Organization and enhanced cooperation with relevant United Nations and other bodies.

02: External information: Promotion of awareness and provision of data and information to other United Nations agencies, representatives of Member States, governing bodies, universities and civil society organizations on the services available within the Division.

03: Management of divisional programme of work: Preparation of strategic priorities, programmes of work and budgets of the Division.

04: Programme design and quality: Review of projects and programmes prepared in the Division for quality improvement, certification and approval of project documents. Assurance of optimal service delivery and accountability.

05: Management of human and financial resources: Management and evaluation of the human and financial resources of the Division, provision of administrative support services to the staff, and implementation and monitoring of the divisional staff development programmes.

06: Overall management and representation: Assistance to the Director-General in the overall management and representation of the Organization.

MAJOR PROGRAMME E: REGIONAL PROGRAMME

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
71.0	**82.0**	**153.0**	Staff costs	22,780.5	5,133.7	27,914.2
			Consultants	251.2		251.2
			Official travel	809.4		809.4
			Operating costs	5,972.0	582.0	6,554.0
			RPTC/IDDA	2,820.8		2,820.8
			Total (gross expenditure)	**32,633.9**	**5,715.7**	**38,349.6**
			Income	(2,515.3)	(174.6)	(2,689.9)
			Total net resources	**30,118.6**	**5,541.1**	**35,659.7**

By programme

	Posts		Regular and operational budgets	Technical cooperation (extrabudgetary)	TOTAL
	P	GS			
E.1. Regional Bureaus	18.0	15.0	8,488.0		8,488.0
E.2. Field Offices	48.0	62.0	24,969.9		24,969.9
E.3. Direction and Management	5.0	5.0	2,201.8		2,201.8
E. Total major programme	**71.0**	**82.0**	**35,659.7**		**35,659.7**

Objective

E.1. The objective of the Major Programme is to ensure a coherent and demand-driven approach to UNIDO assistance at country and regional levels in order to foster industrialization as a means to economic development.

E.2. The Major Programme coordinates the development of comprehensive integrated packages of services for countries in all regions based on the new service modules to promote sustainable industrial development. Key principles for guiding country-level programme development include: relevance to local industrial needs, integration with broader United Nations programmatic frameworks, meaningful impact on the country's development.

E.3. The Major Programme promotes horizontal linkages between the field and Headquarters and ensure compliance with implementation, follow-up and monitoring of development cooperation as maintained in the form of a service delivery plan for each region. By doing this, the Major Programme ensures that UNIDO's service delivery progresses along client requirements.

E.4. The Major Programme promotes international industrial cooperation, supports regional economic integration and cooperation, participates in the organization of global forum activities at the regional, interregional and country level. It also maintains liaison with private and public sector partners, United Nations organizations and development institutions as major partners in the context of development cooperation activities.

E.5. The Major Programme will be accomplished through effective coverage of countries through the operations of field offices and regional bureaux. The Major Programme consists of three Programmes: Regional Bureaux, Field Offices; and Direction and Management.

Programme E.1: Regional Bureaux

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
18.0	**15.0**	**33.0**	Staff costs	6,336.8	355.9	6,692.7
			Official travel	354.2		354.2
			Operating costs	851.8		851.8
			RPTC/IDDA	589.3		589.3
			Total (gross expenditure)	**8,132.1**	**355.9**	**8,488.0**
			Total net resources	**8,132.1**	**355.9**	**8,488.0**

E.6. The Programme provides coverage of industrialization matters at regional level by defining a coherent framework for UNIDO's services to countries in the respective regions, participating in the team for the formulation of integrated programmes as well as in global forum activities, maintaining continuous dialogue with counterparts, mobilizing funds, acting as focal point for the region, and liaising on regional affairs with other United Nations agencies and international organizations and institutions.

Context

E.7. The Business Plan on the Future Role and Functions of UNIDO called for an effective decentralization of activities and strengthened field representation system. This necessitates a strong regional programme of which the Regional Bureaux at Headquarters are presently an integral part.

E.8. The Regional Bureaux at Headquarters are intertwined with the Field Offices Programme. Their role and functions would continuously evolve in line with the progressive decentralization of the Organization's substantive functions to the field.

E.9. However, the prescription of Member States is to stabilize the present structure of the Organization within the existing scenario. In this context, the role, functions and structure of the Regional Bureaux Programme will be maintained while eliminating inefficiencies and maximizing synergies.

Objective

E.10. The objective of the Programme is to develop an adequate and coherent programmatic regional approach to UNIDO's services and ensure that UNIDO's assistance responds to the countries' needs and requirements. The Programme consists of five Regional Bureaux (Africa, Arab Countries, Asia and the Pacific, Europe and NIS, and Latin America and the Caribbean).

Services provided and expected outputs

E.11. During the biennium, the Programme will focus on the following services and outputs:

(a) Act as the focal point in identifying, analyzing and screening requests and proposals for packages of integrated services and stand-alone projects;

(b) Elaborate a coherent framework for UNIDO's assistance to the countries in the respective regions that are not covered by field offices, and participate in teams for the formulation of integrated programmes;

(c) Collaborate with field offices (Programme E.2) in programme and project formulation where field coverage exists;

(d) Monitor the progress of integrated programmes and stand-alone projects in the respective regions;

(e) Provide guidance and support to field offices to enable them to discharge their responsibilities effectively, including their participation in the Common Country Assessments (CCAs) and United Nations Development Assistance Framework (UNDAF) process;

(f) Develop a dialogue with development finance institutions and other United Nations financing agencies to design funding mechanisms and mobilize funds, especially for programmes in support of LDCs, economic and technical cooperation among developing countries and regional economic cooperation;

(g) Acting as part of a team, organize and support UNIDO's global forum activities at the regional and subregional level to discuss emerging issues and trends;

(h) Liaise with national counterparts, other United Nations agencies, regional organizations, development institutions and other public and private constituents to stimulate exchange of information and ensure reciprocal involvement in matters pertaining to development assistance;

(i) Act as focal point for information on UNIDO's activities as well as on country issues and trends in industrial development.

E.12. Furthermore:

(a) The Africa Bureau will, *inter alia*, coordinate the elaboration and implementation of the Alliance for Africa's Industrialization (AAI) Plan of Action by ascertaining the national priorities, contributing to the formulation and implementation of adequate technical cooperation activities funded from UNIDO's IDDA support programme, and reporting on the progress of these activities, and act as the focal point for LDC matters (9 Professional and 6 General Service staff);

(b) The Arab Countries Bureau will take into account the extreme diversity of countries in the region in terms of natural resources endowment and per capita GNP, and gear UNIDO services to be provided towards restructuring, upgrading and diversification of the industrial sector, and towards strengthening regional economic cooperation (5 Professional and 3 General Service staff);

(c) The Asia and the Pacific Bureau will take into account the diversity of the region in terms of industrial development, natural resources and per capita GNP, and guide UNIDO services to be provided towards restructuring, upgrading and diversification of the industrial sector, and towards strengthening regional economic cooperation (5 Professional and 3 General Service staff);

(d) The Europe and NIS Bureau will take into account the rapidly changing conditions in the region and its heterogeneity in levels of economic development, and ensure that a diverse range of UNIDO services could be provided to the varied group of countries, ranging from energy efficiency, cleaner production, pollution control and waste management, and investment and technology promotion for all countries, to industrial policy formulation and implementation, QSM, entrepreneurship development, and upgrading agro-industries and related technical skills for less advanced countries (5 Professional and 3 General Service staff);

(e) The Latin America and the Caribbean Bureau will take into account the cultural, economic, environmental, political and social diversity in the region and will focus on investment promotion efforts, including the stimulation of foreign direct investment, technology promotion, development of entrepreneurs, SMEs and mitigation of industry-related environmental problems (5 Professional and 3 General Service staff).

Programme E.2: Field Offices

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
48.0	**62.0**	**110.0**	Staff costs	14,484.6	4,777.8	19,262.4
			Consultants	109.1		109.1
			Official travel	395.2		395.2
			Operating costs	5,079.6	582.0	5,661.6
			RPTC/IDDA	2,231.5		2,231.5
			Total (gross expenditure)	**22,300.0**	**5,359.8**	**27,659.8**
			Income	(2,515.3)	(174.6)	(2,689.9)
			Total net resources	**19,784.7**	**5,185.2**	**24,969.9**

E.13. The Programme provides effective field coverage at country and regional/subregional level by systematically assessing their needs, cooperating with the Regional Bureaux and the technical branches in the formulation and implementation of programmes and projects, contributing to funds mobilization and liaising with national counterparts.

Context

E.14. Since the adoption of the Business Plan on the Future Role and Functions of UNIDO in 1997, the Organization has taken as many steps as possible towards the introduction of "effective decentralization" through redeployment of resources from Headquarters to the field, appropriate delegation of authority and transfer of substantive functions to field staff in the context of programme and project formulation and implementation.

E.15. However, the process of setting up a substantive and strengthened field representation system is far from complete. Full implementation of a future decentralization would entail a managerial and administrative restructuring of the regional programmes, both Regional Bureaux and field offices, as well as an availability of adequate financial resources. The Member States have constantly reaffirmed the imperative to operate within available resources as well as to consolidate the current organizational structure and reap the benefits of the reforms that UNIDO undertook in previous years.

E.16. Within the constraints of existing resources, in the 2002-2003 biennium the Organization intends to consolidate and stabilize the current field structure while eliminating inefficiencies and transferring progressively managerial and/or technical functions to field offices on a selective basis.

Objective

E.17. The objective of the Programme is to provide effective field coverage at country and regional/subregional levels so as to ensure a coherent and adequate approach to UNIDO's technical assistance as well as an active involvement of national counterparts and development institutions in UNIDO's programmes and projects.

Services provided and expected outputs

E.18. During the biennium, the Programme will focus on the following services and outputs:

(a) Contribute, in cooperation with Regional Bureaux, to programme and project formulation and development by identifying and assessing local needs, screening local requests and elaborating frameworks for an integrated UNIDO's response to country needs;

(b) Act as a node of UNIDO's worldwide technical information network for the country and, in selected cases, provide technical advice and services to the countries in the subregion;

(c) Provide all necessary administrative, logistic and, in selected cases, technical support to project managers of technical divisions at Headquarters and UNIDO experts in the implementation of technical cooperation programmes and projects;

(d) Develop and maintain political as well as institutional relations and liaison with national counterparts to ensure their involvement in UNIDO's technical cooperation and global forum activities;

(e) Interact with multilateral development and financing institutions operating in the country or subregion as well as donor Governments or non-governmental bodies in order to secure access to sources of funds at the country level;

(f) Maintain close contact with other United Nations agencies present in the field by contributing substantively to programming activities such as the CCAs and UNDAF, the World Bank's Comprehensive Development Framework (CDF) and participating in the various country-level United Nations-coordinated activities.

E.19. These services will be provided through a network of country offices (1 Professional and 2 General Service staff) and regional offices (3 Professional and 3 General Service staff); the latter will also provide technical support and advice in the priority areas shared by the countries of a (sub)region. In addition, National Focal Points will support and promote UNIDO's cooperation activities in the respective countries.

Programme E.3: Direction and Management

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
5.0	5.0	10.0	Staff costs	1,959.1		1,959.1
			Consultants	142.1		142.1
			Official travel	60.0		60.0
			Operating costs	40.6		40.6
			Total (gross expenditure)	**2,201.8**		**2,201.8**
			Total net resources	**2,201.8**		**2,201.8**

E.20. The Programme will carry out management and coordination functions to enable Regional Bureaux and field offices to discharge more effectively their responsibilities towards project and programme formulation and global forum activities, at country and regional level.

Context

E.21. In the organizational structure envisaged for UNIDO in the Business Plan, one divisional unit was provided for functions relating to administration, operational support and coordination of field representation.

Objective

E.22. The objective of the Programme is to provide effective management and guidance to the activities of the Major Programme and to ensure efficient coordination among the component Programmes as well as with other Programmes in the Organization. The Programme also provides quality management functions to UNIDO's programmes and technical cooperation projects.

Services provided and expected outputs

E.23. During the biennium, the Programme will focus on the following services and outputs:

(a) Coordinate the formulation of the work plans of Major Programme E as well as guide, monitor and follow-up the implementation of those work plans in a team work context and in-house cross-organizational linkages;

(b) Ensure efficient management of UNIDO field representation by designing and implementing policy measures aimed at strengthening the efficiency of field offices and rationalizing the linkages between Headquarters and the field;

(c) Guide the Regional Bureaux in the development of integrated service packages within the framework of UNIDO's service modules and the service management cycle;

(d) Monitor the progress of UNIDO's technical cooperation activities;

(e) Guide the Regional Bureaux in developing and implementing their global forum activities;

(f) Ensure that Regional Bureaux and field offices maintain fruitful dialogue, consultation and links with Governments, intergovernmental organizations and organizations within the United Nations system, donors and other stakeholders;

(g) Perform evaluations, whether independent or self-evaluation of technical cooperation programmes and projects and to assess their relevance, sustainability, efficiency, effectiveness and impact.

MAJOR PROGRAMME F: ADMINISTRATION

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
35.0	**94.0**	**129.0**	Staff costs	15,839.5	4,024.7	19,864.2
			Consultants	50.0		50.0
			Official travel	85.9		85.9
			Operating costs	1,639.1		1,639.1
			Information and comm. techn.	1,135.2		1,135.2
			Total (gross expenditure)	**18,749.7**	**4,024.7**	**22,774.4**
			Total net resources	**18,749.7**	**4,024.7**	**22,774.4**

By programme

	Posts		Regular and operational budgets	Technical cooperation (extrabudgetary)	TOTAL
	P	GS			
F.1 Human Resource Management	8.0	24.0	5,197.9		5,197.9
F.2 Financial Services	10.0	34.5	6,382.2		6,382.2
F.3 General Services	8.0	26.0	7,644.4		7,644.4
F.4 Legal Services	3.0	2.0	971.7		971.7
F.5 Direction and Management	6.0	7.5	2,578.2		2,578.2
F. Total major programme	**35.0**	**94.0**	**22,774.4**		**22,774.4**

Objective

F.1. The objective of the Major Programme is to ensure efficient and cost-efficient financial, personnel, legal and other administrative services for all major programmes through direct support to UNIDO's service delivery and for its Headquarters requirements.

Programme F.1: Human Resource Management

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
8.0	**24.0**	**32.0**	Staff costs	3,726.3	1,371.1	5,097.4
			Consultants	23.5		23.5
			Official travel	26.6		26.6
			Operating costs	50.4		50.4
			Total (gross expenditure)	**3,826.8**	**1,371.1**	**5,197.9**
			Total net resources	**3,826.8**	**1,371.1**	**5,197.9**

F.2. The Programme develops policy and provides guidance on human resources management, including project personnel; supports all major programmes in the development and implementation of human resources strategies including staff development, training and recruitment; applies provisions of staff regulations, deals with formal staff complaints and disciplinary cases; follows developments at the United Nations common system level; operates the UNIDO social security scheme.

Context

F.3. The Programme is required to provide policy and operational support to the Organization; to design, promote and facilitate the implementation of human resources strategies; and to provide direct support to technical cooperation.

Objective

F.4. The objective of the Programme is to play a key role for the efficient and cost-effective management of the human resources of UNIDO both at Headquarters and the field, thus contributing to the achievement of organizational goals.

Services provided and expected outputs

F.5. During the biennium, the Programme will focus on the following services and outputs:

(a) Provide policy guidance and support on human resource issues; implement the Director-General's policies in this area, the provisions of the staff regulations and rules and those of the United Nations Joint Staff Pension Fund (UNJSPF); provide health and group life insurance schemes;

(b) Review applications of candidates; organize and participate in panel interviews; serve the Appointment and Promotion Board; prepare offers and extensions of appointment; organize group training programmes; implement divisional training; and play a key role in the development of training policies and strategies;

(c) Deal with staff appeals and disciplinary cases; prepare amendments to the staff rules and reports to policy-making organs on related issues;

(d) Maintain information databases on the Organization's human resources;

(e) Carry out job classification; maintain all official status files of staff;

(f) Provide operational support services for the implementation of UNIDO technical cooperation programmes and projects through appointment, administration and monitoring of project personnel, including donor-sponsored Associate Expert and Junior Professional Office programmes.

Programme F.2: Financial Services

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
10.0	**34.5**	**44.5**	Staff costs	5,064.9	1,243.2	6,308.1
			Official travel	14.6		14.6
			Operating costs	59.5		59.5
			Total (gross expenditure)	**5,139.0**	**1,243.2**	**6,382.2**
			Total net resources	**5,139.0**	**1,243.2**	**6,382.2**

F.6. The Programme provides the following services: budgeting; financial control; financial planning; management of financial resources, including extrabudgetary; cash management; management of assessed contributions; receipts and disbursements of all resources; financial management of technical cooperation activities; accounting and reporting for regular and operational budget activities as well as all technical cooperation activities; policy advice on financial issues.

Context

F.7. The context in which the Programme operates is defined in the financial and staff regulations and rules, various administrative instructions, as well as in various decisions of the governing bodies. Additional advice is provided by the External Auditor.

Objective

F.8. The objective of the Programme is to ensure the efficient and cost-effective management of the financial resources of UNIDO, including extrabudgetary resources, and to ensure the financial integrity of the Organization.

Services provided and expected outputs

F.9. During the biennium, the Programme will focus on the following services and outputs:

(a) Preparation, presentation, monitoring and control of the biennial programme and budgets; reporting to the governing bodies and the Director-General on the financial implementation of the approved budgets;

(b) Financial management of field representation through financial administrative support to UNIDO field offices;

(c) Financial planning and cash management to ensure efficient and effective utilization of resources, and to ensure liquidity to meet obligations;

(d) Management of UNIDO's funds and other extrabudgetary resources from donors and other sources, with due regard to security and maximization of return;

(e) Financial management of technical cooperation activities, including integrated programmes;

(f) Management of the financial assets belonging to and entrusted to UNIDO, including planning, managing and monitoring the collection of assessed contributions, receipts and disbursement of funds and expenditure control;

(g) Accounting and reporting for all activities, programmes, accounts and projects established under the financial rules and regulations and specific decisions of the governing bodies and donors;

(h) Enhancement of financial systems and procedures to improve efficiency and effectiveness;

(i) Policy advice on financial issues.

Programme F.3: General Services

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
8.0	**26.0**	**34.0**	Staff costs	3,590.7	1,410.4	5,001.1
			Official travel	15.9		15.9
			Operating costs	1,492.2		1,492.2
			Information and comm. techn.	1,135.2		1,135.2
			Total (gross expenditure)	**6,234.0**	**1,410.4**	**7,644.4**
			Total net resources	**6,234.0**	**1,410.4**	**7,644.4**

F.10. The Programme is responsible for the procurement of services, including logistical support, travel, transportation, shipments and the VIC catering service.

Context

F.11. The Programme is required to provide logistical and transport services to facilitate UNIDO's service delivery at Headquarters and in the field in an economic and efficient manner.

Objective

F.12. The objective of the Programme is to ensure efficient and cost-effective provision of logistical and administration support services for all UNIDO activities comprising procurement of goods and services, communications, inventory and records management, travel, transportation and shipment services.

Services provided and expected outputs

F.13. During the biennium, the Programme will focus on the following services and outputs:

(a) Provide efficient, cost-effective and transparent purchasing and contracting services for the delivery of technical cooperation;

(b) Provide economic, efficient and timely travel and transport services at Headquarters and in the field;

(c) Provision of procurement services for UNIDO service delivery process as well as for Headquarters requirements; guidance and advisory services to UNIDO field offices that perform decentralized procurement; maintenance of procurement guidelines to ensure competitive, timely, transparent and effective procurement activities on a wide geographical supplier and vendor basis;

(d) Provision of basic logistical support, including inventory control, supply service, registry, archives, travel, transportation and shipment.

Programme F.4: Legal Services

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
3.0	2.0	5.0	Staff costs	947.0		947.0
			Consultants	16.3		16.3
			Official travel	8.4		8.4
			Total (gross expenditure)	**971.7**		**971.7**
			Total net resources	**971.7**		**971.7**

F.14. The Programme provides legal advice to the Secretariat and the governing bodies of UNIDO and represents UNIDO's legal position to outside institutions as required.

Context

F.15. As a specialized agency of the United Nations system, the legal status of UNIDO is governed by a number of international treaties and by legal regulations that have been established by its Member States, as well as by internal rules established by the Director-General. The Organization has to abide by this legal framework and has to apply it to its activities.

Objective

F.16. The objective of the Programme is to contribute to the efficient conduct of the affairs of the Organization and the pursuit of its mandate based on its internal legal provisions, as well as on the rules applicable to its relations with Governments, organizations, enterprises and individuals and to the safeguard and defense of the legal positions, rights and interests of the Organization.

Services provided and expected outputs

F.17. During the biennium, the Programme will focus on the following services and outputs:

(a) Preparation, clearance and negotiation of treaties and international agreements to be concluded by UNIDO. This includes the negotiation and clearance of agreements with host Governments establishing UNIDO country and regional offices and centres and of standard basic cooperation agreements. The Programme further discharges the responsibilities with respect to registration, filing and recording of international treaties and agreements as required by Article 102 of the United Nations Charter and the regulations issued under it;

(b) Provision of legal opinions and advice to the policy-making organs of the Organization as well as all its divisions and units regarding the interpretation of, *inter alia*, the Constitution of UNIDO, international law, Headquarters and other agreements, staff and financial regulations and other internal rules and directives of the Organization. The Programme will advise on the legal aspects of relations with other entities, including contractual relations, questions of liability, arbitration and claims against the Organization;

(c) Representation of the Director-General in cases brought before the Administrative Tribunals of the International Labour Organization or the United Nations;

(d) Support for UNIDO programmes by providing legal advice on technical cooperation activities, including questions related to financing, establishment of centres, cooperative arrangements with non-governmental and private sector entities and contractual services. The new approaches to industrial cooperation involving new partners, especially in the private sector, are giving rise to an increased demand for legal advisory services as well as for the formulation of legal arrangements to govern new cooperative activities of the Organization;

(e) Identification and provision of advice on the rules applicable to new modalities for financing and executing projects, such as those with regional development financing institutions, the Multilateral Fund for the Implementation of the Montreal Protocol, the World Bank, the Common Fund for Commodities, the Global Environment Facility and the European Union. Legal arrangements and advice on projects financed from trust funds and IDF special-purpose contribution agreements; and the establishment of standards and procedures for voluntary contributions from non-governmental sources;

(f) Support for the development of information technology products generated by the Organization, particularly the establishment of model agreements for licensing and distributing such products; advice on contractual aspects of copyrights, patents and licenses.

Programme F.5: Direction and Management

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
6.0	**7.5**	**13.5**	Staff costs	2,510.6		2,510.6
			Consultants	10.2		10.2
			Official travel	20.4		20.4
			Operating costs	37.0		37.0
			Total (gross expenditure)	**2,578.2**		**2,578.2**
			Total net resources	**2,578.2**		**2,578.2**

F.18. The Programme carries out management and coordination functions in order to provide adequate service in the areas of human resource management, financial, personnel, legal and other administrative services, including buildings management.

Context

F.19. In the organizational structure envisaged for UNIDO in the Business Plan, one divisional unit was provided for functions relating to administration, operational support and coordination of field representation.

Objective

F.20. The objective of the Programme is to provide effective management and guidance to ensure efficient and cost-effective financial, personnel, legal and administrative services for all major programmes.

F.21. In addition, the Programme will develop, promote and coordinate a UNIDO-wide promotional strategy with Governments, policy-makers, the private sector, the United Nations system and the European Commission.

Services provided and expected outputs

F.22. During the biennium, the Programme will focus on the following services and outputs:

(a) Plan and formulate work programmes of Major Programmes F, G and related subprogrammes;

(b) Provide effective management and direction to their implementation and undertake necessary monitoring;

(c) Develop and initiate measures to strengthen UNIDO's field representation programme in terms of further decentralization through redeployment of secretariat staff at the country level with delegation of greater empowerment, authority and accountability at the field level;

(d) In addition to providing direction and management for the Human Resource Management Branch, Financial, General and Legal Services, design and maintain management control mechanisms and procedures; maintain and improve the Organization's performance monitoring and measurement system; maintain Director-General's bulletins and other directives (Controller);

(e) Develop and promote marketing and communication strategies *vis-à-vis* Governments, policy-makers, the private sector, United Nations system and European Union institutions;

(f) Organize, coordinate and implement UNIDO-sponsored promotional events in connection with meetings of the governing bodies and in conjunction with United Nations-wide events.

MAJOR PROGRAMME G: BUILDINGS MANAGEMENT

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
4.0	**110.0**	**114.0**	Staff costs	12,654.7		12,654.7
			Consultants	115.3		115.3
			Official travel	11.1		11.1
			Operating costs	24,769.4		24,769.4
			Total (gross expenditure)	**37,550.5**		**37,550.5**
			Income	(37,550.5)		(37,550.5)
			Total net resources			

Objectives

G.1. The objective of the Major Programme is that under the terms of the Memorandum of Understanding on Common Services, on behalf of and financed by the international organizations based in the VIC, UNIDO is given the responsibility for managing and administering the operation, maintenance and repair of the grounds, buildings and related installations and equipment of the VIC complex. The projects financed by the Common Fund for Major Repairs and Replacements at the VIC are also administered by UNIDO on behalf of the international organizations in the VIC and the Austrian Government. The resources requested under this Major Programme are cost-shared among the four VIC-based organizations.

G.2. The costs of operating, maintaining and repairing the buildings and their integrated installations are increasing with the ageing of the complex that was constructed in 1974-1979. With a gross area of approximately 347,000m^2, the Vienna International Centre has been in operation more than 22 years. The necessary repairs and maintenance work are carried out on a regular basis, *inter alia*, according to the commitments made *vis-à-vis* the Austrian Government.

G.3. The aim of this forecast is to cope with a rising demand for maintenance and replacement of original and added installations. Utility consumption is increasing due to more and intensive use of electronic and other equipment in the buildings. The costs per unit for electricity will be lower due to liberalization of the international market, while the costs of other utilities are constantly increasing.

G.4. The objectives are to ensure safe and reliable operation, maintenance and repair of the buildings and the associated installations according to local buildings codes and standards. With up-keep of installations and equipment, Buildings Management provides services as required by the organizations occupying the VIC complex.

G.5. For the first time, this Major Programme is presented in a self-contained manner. All the proposed expenditures are offset by income, i.e. contributions received from the other Vienna-based organizations and from UNIDO. Consequently, in the UNIDO core budget, only the Organization's share of the buildings management operations is included under Major Programme H. Furthermore, the Building Management posts are excluded from the UNIDO post profile.

Programme G.1: Common Buildings Management

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
4.0	**107.0**	**111.0**	Staff costs	12,279.2		12,279.2
			Consultants	115.3		115.3
			Official travel	11.1		11.1
			Operating costs	23,536.0		23,536.0
			Total (gross expenditure)	**35,941.6**		**35,941.6**
			Income	(35,941.6)		(35,941.6)
			Total net resources			

2002-2003 estimates (after recosting)	
	Regular budget
Established posts	11,176.6
Career development training	19.9
General temporary assistance	746.3
Overtime and night differential	336.4
Consultant fees and travel	115.3
Travel on official business	11.1
Rental and maint. of premises	12,138.5
Utilities	10,109.3
Rental and maint. of furnit., equpm. and vehicles	51.7
Miscellaneous general operating expenses	17.0
Printing (Joint Printing and Repr. Service - IAEA)	7.1
Supplies and materials	262.3
Capital goods	950.1
Total (gross expenditure)	**35,941.6**
Other VBOs' contribution to BMS operations	(29,436.2)
UNIDO contribution to BMS operations	(6,505.4)
Total income	**(35,941.6)**
Total net resources	**0.0**

G.6. The Programme provides buildings operation services and manages comprehensive maintenance and repair of the VIC premises as well as other various services to the VIC-based organizations.

Context

G.7. The Programme ensures up-keep of the complex in compliance with local building and safety codes and regulations as required by the VIC owners and users and VIC operating licence conditions. The service comprises civil engineering, electrical and climatization engineering and electronics engineering units with associated engineering and administrative services.

G.8. During the occupancy over 22 years, the need for replacement programmes must be recognized and executed in all areas of the complex to maintain an acceptable reliability of the VIC operation. Based on the agreements reached during the associated Consultative Committee on Common Services meeting, Buildings Management was instructed to maintain the standard and level of services provided during 1999-2000, which was to the full satisfaction of the VIC-based international organizations. The Programme includes anticipated changes in the areas of space usage, storage requirements or specific technical installations.

Services provided and expected outputs

G.9. The Programme analyses consumption and operating costs and introduces measures for improved efficiency. It optimizes cost benefit in areas of energy conservation and application of improved technologies in operation and replacement programmes. It takes measures to meet strict requirements in respect of waste disposal, bacteriological and chemical control of the water and air in the buildings.

G.10. The successful introduction of a number of measures for improved efficiency in the biennium 2000-2001 enables the Organization to decrease fund requirements by €3,546,700 (9.3 per cent) before recosting for the biennium 2002-2003.

G.11. UNIDO's staff reduction in 1998 resulted in reductions in space occupied by UNIDO and a corresponding lower UNIDO share of buildings operations and maintenance costs from 21 per cent to 18.1 per cent in 2000. The same percentage has been applied to calculate the UNIDO share for 2002-2003 (Major Programme H).

G.12. As a result of the efficiency-enhancing measures introduced as well as the reduced cost-sharing ratio, UNIDO's contribution to BMS operation has been reduced by €1.8 million before recosting.

Programme G.2: Joint Buildings Management

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
	3.0	3.0	Staff costs	375.5		375.5
			Operating costs	1,233.4		1,233.4
			Total (gross expenditure)	**1,608.9**		**1,608.9**
			Income	(1,608.9)		(1,608.9)
			Total net resources			

2002-2003 estimates (after recosting)	
	Regular budget
Established posts	355.2
Overtime and night differential	20.3
Rental and maint. of premises	1,141.7
Capital goods	91.7
Total (gross expenditure)	**1,608.9**
Other VBOs' contribution to BMS operations	(867.0)
UNIDO contribution to BMS operations	(741.9)
Total income	**(1,608.9)**
Total net resources	**0.0**

G.13. The Programme provides buildings operation services which are cost-shared only between UNOV and UNIDO. Most prominently, the Programme provides conference technicians for the conference facilities and cleaning of jointly-used premises.

Context

G.14. The Programme operates within the overall context of the cooperation agreement between UNOV and UNIDO.

Services provided and expected outputs

G.15. During the biennium, the Programme will focus on the following services and outputs:

(a) Provide adequate conference facilities for UNIDO and UNOV, and cleaning of the premises; ensure switchboard operation. Provision is also included for minor operating cost items that are the concern only of UNOV and UNIDO.

MAJOR PROGRAMME H: INDIRECT COSTS

Resource estimates (in thousands of euros)

Posts			2002-2003 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
			Staff costs	567.7		567.7
			Operating costs	10,845.6		10,845.6
			Information and comm. techn.	991.9		991.9
			Total (gross expenditure)	**12,405.2**		**12,405.2**
			Total net resources	**12,405.2**		**12,405.2**

Programme H.1: Contribution to Shared Services

2002-2003 estimates (after recosting)	
	Regular budget
Joint medical services (IAEA)	547.2
Joint language training	20.5
UNIDO contribution to common BMS	6,505.4
Reimbursement to Major Repair Fund	610.0
UNIDO contribution to joint BMS	741.9
Security and safety services (UNOV)	2,195.6
Contribution to joint activities with UN bodies	792.7
Joint communications services (UNOV)	991.9
Total (gross expenditure)	**12,405.2**
Total income	**0.0**
Total net resources	**12,405.2**

Objective

H.1. The objective of the Major Programme is to show separately those cost items of the budget that cannot be directly linked to any substantive or administrative service or programme of the Organization. These costs are attributable to the fact that UNIDO is located on the premises of the Vienna International Centre and hence it participates in joint and common services with the other Vienna-based organizations.

H.2. In previous bienniums, the same cost items were shown in various programmes under the generic title "Other expenditures". The proposed methodology collects all such costs under a separate major programme and hence provides a transparent way of identifying these costs and monitors their developments over time.

H.3. The following table shows the shared services and UNIDO's contribution to the total costs:

(a) Joint medical services (IAEA) – 17.43 per cent;

(b) Joint language training (UNOV) – per enrolled staff;

(c) UNIDO contribution to common buildings management – 18.1 per cent;

(d) Reimbursement to the Major Repair Fund – 25 per cent;

(e) UNIDO contribution to joint buildings management (conference technicians and operating costs) – 46.2 per cent;

(f) Security and safety services (UNOV) – 18.1 per cent;

(g) Contribution to joint activities with various United Nations bodies – average 1.85 per cent;

(h) Joint communication services (UNOV) – 33 per cent.

H.4. The resource estimates under each of the above items are presented in the summary table. The total expenditure under contributions to the joint services have been reduced by €1,972,800 (14.2 per cent) before recosting at 2000-2001 costs.

H.5. The most significant reduction was the result of various efficiency-enhancing measures implemented by Buildings Management during the biennium 2000-2001. In addition, UNIDO is occupying a smaller portion of the VIC and hence its share of the Buildings Management costs was reduced from 21 per cent budgeted in 2000-2001 to the actual level of 18.1 per cent experienced in 2000.

H.6. The total reduction under items (c) and (e) above amounts to €1,545,200 before recosting.

H.7. The agreement between the Austrian authorities and the Vienna-based organizations in respect of the Major Repair Fund is being reviewed. Due to the expected amendment of the agreement, a reduction of €92,100 was possible under item (d) above.

H.8. UNIDO's share of the security and safety service has also been reduced by €226,200 before recosting. This reduction was the direct result of the smaller size of UNIDO, both in terms of Headquarters staff and space occupied in the VIC. The cost-sharing key used for this service is identical to the one used for cost-sharing of Buildings Management.

INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA

SUPPLEMENTARY ACTIVITIES

Objective

1. During the 2002-2003 biennium, the resources for the supplementary activities for Africa will be used to support preparation and initial implementation of integrated programmes, while the remainder will be utilized for policy advisory services at the country level, *ad hoc* requests, Africa relevant global forum activities and support to regional fora. Significant resources will also be allocated to UNIDO country offices and the new regional offices in Africa (including North Africa) for programme formulation. The latter will ensure timely responses to client needs and will go some way in fulfilling the call of Member States for programme development to be decentralized to the field.

Services provided and expected outputs

2. The Programme comprises the identification, development and implementation of technical cooperation projects and global forum activities. The integrated programmes continue to be the cornerstone of technical cooperation. A number of "stand alone" projects will be implemented in countries with no integrated programme.

3. During the biennium, the Programme will focus on the following services and outputs:

(a) Support for the further development of integrated programmes, including needs identification, programme formulation and seed money for implementation. All programmes in Africa address small and micro enterprises for improved employment creation and income generation as a contribution to the alleviation of poverty-related social issues;

(b) Decentralization of resources to field offices for programme development and funds mobilization activities, including *ad hoc* hiring of national consultants for in-depth sectoral analysis and support to private sector industry associations for policy dialogue with government. This will greatly contribute to improve local ownership of the technical services provided;

(c) Mobilization of domestic and foreign direct investment through integrated programmes of investment and technology promotion;

(d) Enhancement of the competitiveness of African industries, specifically their access to external markets by enhancing their level of quality and safety and by providing instruments to reduce technical trade barriers originated from international standards and regulations;

(e) Introduction of cleaner production techniques at plant level and support for the establishment of cleaner production centres.

4. It should be noted that the Bureau of CAMI-14, during its meeting at Dakar, in November 2000, decided to identify new strategies and mechanisms for cooperation and industrial integration in Africa, which should replace the programmes of the IDDA. At that meeting, the Bureau urged the Joint UNIDO/ECA/OAU Secretariat, in close cooperation with CAMI, the regional economic communities and ADB, to start giving consideration to those matters and to submit a report to CAMI-15 for consideration and adoption.

5. The final documents on the strategy for Africa's industrialization in the new millennium will be submitted to the Assembly of Heads of State and Government of OAU at its ordinary session in 2002.

6. With the prospect that the Second Industrial Development Decade for Africa is due to come to a close in 2002, a UNIDO working paper has suggested that IDDA should, as a matter of urgency, be adapted to the challenges of globalization and the multilateral trading system.

7. The resources for supplementary activities and details of activities are presented under the respective programmes and subprogrammes to which resource allocations for Africa have been made. Adjustments will be made in response to the new set of priorities, which are expected to be adopted during the CAMI-15 meeting.

8. Individual programmes and projects will be subject to established programme development and approval procedures. Special activities in support of Africa will also be financed under the Regular Programme of Technical Cooperation and are described under the relevant programme description.

REGULAR PROGRAMME OF TECHNICAL COOPERATION

Introduction

1. This section presents the programmatic description and resources of the Regular Programme of Technical Cooperation for the Organization as a whole. In accordance with the programmatic approach, specific resource allocations are presented in the Major Programmes under which the activities are to be implemented.

Objective

2. The objective of the Programme, as defined in the Constitution of UNIDO, is to improve the effectiveness of the Organization's programme of work in the field of industrial development and to strengthen the Organization's contribution to the United Nations development system (UNIDO Constitution, Annex II, part B). The Programme will ensure the effective implementation of the Regular Programme to enable UNIDO to adapt its functions and priorities and orient its activities to contribute to the achievement of international development targets, specifically with respect to those dealing with the eradication of poverty and improving the environment, as well as the need to address the increasing marginalization of countries related to globalization, the uneven spread of new technologies and barriers to trade.

3. With the growing realization that poverty eradication is a complex issue which will not be automatically resolved through economic growth, employment and expansion of economic sectors alone, UNIDO's Regular Programme will also be used to strengthen its global forum function to assess these issues, particularly through its university action-oriented research partnership programme. Knowledge gained from this research will be disseminated and fed back into the design of regional and national integrated programmes. Resources will also be used to provide seed money for their implementation.

4. In pursuit of socially and environmentally oriented industrial development, UNIDO will continue to refine its integrated approach within the Organization and also with those of bilateral and international financing and development agencies.

5. UNIDO will focus its activities in low-income countries by assisting in the improvement of industrial development strategies and the industrial support infrastructure, as well as directly facilitating access to public goods such as technical information, skills, knowledge, and investment promotion required to combat marginalization and poverty.

Outputs

6. The Programme will be implemented under all substantive programmes of the Organization. Activities will be designed so as to enable the Organization to respond effectively to the priorities set out in the Business Plan and identified needs of recipient countries and ensure the quality of UNIDO services in terms of relevance and impact to target beneficiaries. Resources will be used to develop comprehensive packages of integrated services. In this connection, considering the limited amount of these freely programmable funds, they will be used strategically as seed money and will contribute to mobilizing additional resources.

7. The Programme will respond to its mandate of providing funds for the technical cooperation component of IDDA and its successor programme. The focus on Africa will be the provision of services that promote the realization of the current goals of IDDA II, while emphasizing the strategies for African industrialization recently considered by the Bureau of CAMI-14 at its November 2000 meeting. It may be expected that IDDA's successor arrangements may focus as a matter of urgency on the challenges of globalization and the multilateral trading system.

8. Activities will emphasize important global forum activities to facilitate the acquisition and dissemination of knowledge related to the economic and industrial development process. The Business Plan on the Future Role and Functions of UNIDO, approved by the Member States in 1997, sees the global forum function as an important component of UNIDO's mandate to strengthen awareness and knowledge of global issues in developing countries and countries with economies in transition. Within the framework of this global forum function, the Organization will implement programmes such as: industrial policy advice based on action-oriented research; institutional capacity-building at the country and sectoral levels based on lessons learned; quality, standardization and metrology; and provision of industrial information.

9. Programmatic activities will be carried out in line with the Organization's strategy of mobilizing the transfer of knowledge, skills and technology to enable developing countries and economies in transition to generate employment, develop a competitive economy and ensure environmental sustainability.

10. The Regular Programme will emphasize the needs of LDCs, in particular to support them in the design of programmes and mobilization of financial resources for their implementation. The Programme will also promote international industrial cooperation among countries at all levels of development as well as the integration of women in development.

11. Projects are implemented under the Regular Programme based on the following criteria:

(a) Preparatory activities, including needs assessment, that will enable UNIDO to develop integrated programmes based on the service modules and projects to respond to priority needs of recipient countries;

(b) Upstream and analytical work, including expert group meetings to support the development of UNIDO priority programmes and new initiatives;

(c) Promotional activities directly linked to the development of priority programmes through such mechanisms as seminars, workshops and symposiums;

(d) Flexible responses to urgent requests for immediate policy and technical advisory services;

(e) Integrated programme activities meeting the criteria of the IDDA II and its successor arrangements.

MISCELLANEOUS INCOME

1. Estimated miscellaneous income for 2002-2003 amounts to €1,717,200 in the regular budget and €200,000 in the operational budget, details of which are shown in the following paragraphs.

A. Income on deposits

2. Estimates for income on deposits are based on anticipated interest earnings on cash balances in the General Fund, Working Capital Fund, and Operational Budget Account for Support Costs. Based on the income earned under this heading in 2000 and anticipated for 2001, estimates of €1,600,000 under the regular budget and €200,000 in the operational budget are considered reasonable for 2002-2003.

B. Sale of publications

3. Through its sales publications, UNIDO seeks to promote its image world-wide as the focal point of the United Nations in all matters concerning sustainable industrial development. A sales publication usually originates when a substantive unit considers it has produced a study with sufficiently wide appeal as to be saleable. If the study is the result of an expensive input of staff and consultant time, selling it is a means not only of disseminating the data or information gathered, but also of recouping at least part of the costs of its preparation.

4. The UNIDO Publications Sales Office manages the direct sale, promotion and distribution of UNIDO publications, reports and videos, including CD-ROM versions of older printed material. It is also responsible for the preparation of an annual publications catalogue and for maintaining the UNIDO Publications Website, through which publications may be obtained directly through an online catalogue and ordering mechanism. UNIDO publications are also sold through various distributors, including the United Nations. The UNIDO Publications Sales Office is the focal point for communication with the United Nations Publications Section in New York and Geneva in respect of UNIDO's participation at book fairs and for translation agreements of UNIDO publications with other parties.

Sales publication revolving fund

5. In 2000-2001, a sales publication revolving fund has been established with income earned from the sale of publications during the biennium. The fund supports the longer-range planning of publication activities, including promotion, marketing and re-printing of publications and CD-ROMs.

6. One-half of the revenue to the fund, during a biennium, is credited to miscellaneous income to ensure that the anticipated credit against Member States' contributions for sale of publications is maintained. The fund covers costs which, under the current procedures, are set off against revenues.

7. Unless there is a marked increase in sales activity, the sales publication revolving fund is expected to have only a modest balance by the end of the biennium. The following table presents the anticipated financial activity during the biennium under the fund:

Estimates of gross and net revenue

(In euros at 2000-2001 costs)

	2000-2001 approved estimates		2002-2003 estimates	
	Sales publications revolving fund	Miscellaneous income	Sales publications revolving fund	Miscellaneous income
Gross sales	117,200	117,200	117,200	117,200
Revolving fund balance of the preceding biennium	27,900		46,200	
Total	145,100	117,200	163,400	117,200
Less expenses against revenue				
Travel	7,900		7,900	
Advertising and publications	32,300		32,300	
Printing	57,800		59,900	
Miscellaneous	900		900	
Consultants			48,600	
Materials			5,400	
Total expenses	98,900	-	155,000	-
BALANCE IN SALES PUBLICATIONS REVOLVING FUND (at the end of each biennium)	46,200		8,400	
NET REVENUE		117,200		117,200

8. Funds will be required for travel to book fairs or for organizing special promotional activities. Resources will be required for journal advertisements and other promotional activities. Funding is required for reprints of sales publications, CD-ROMs, planned publications and production of electronic statistical publications involving consultancy services and material for which provision in the regular budget is insufficient. Miscellaneous expenditures relate to unreimbursed mailing costs.

C. Other items

9. Other items for which miscellaneous income has been received in prior biennia, but for which reliable estimates cannot be made are presented for the information of Member States. Those items include:

(a) Refund of prior year expenditures;
(b) Sales of used equipment;
(c) Net gain on exchange.

10. Any income received for these or other miscellaneous items during the biennium will be recorded against other income and reported in the financial performance reports.

Annex A

Table 1. Regular and operational budget expenditure and income by major programme and programme
(In thousands of euros)

Programme	2000-2001 approved budget a/	2002-2003 resource growth at 2000-2001 rates	2002-2003 resource requirements at 2000-2001 rates	Recosting to 2002-2003 rates	2002-2003 resource requirements	Per cent of total budget	
	1	2	3	4	5	2000-2001 6	2002-2003 7
Expenditure							
A GOVERNING BODIES							
A.1 Meetings of Governing Bodies	3,632.2	261.1	3,893.3	122.0	4,015.3	2.3%	2.5%
A.2 Secretariat of Governing Bodies & Ext. Relatic	1,613.1	(348.6)	1,264.5	69.9	1,334.4	1.0%	0.8%
Subtotal	**5,245.3**	**(87.5)**	**5,157.8**	**191.9**	**5,349.7**	**3.3%**	**3.3%**
B GENERAL MANAGEMENT							
B.1 Executive Direction and Management	4,827.9	418.3	5,246.2	316.4	5,562.6	3.0%	3.5%
B.2 Internal Oversight	1,568.5	(457.3)	1,111.2	75.0	1,186.2	1.0%	0.7%
B.3 United Nations System Coordination	1,732.4	201.3	1,933.7	60.0	1,993.7	1.1%	1.2%
B.4 Communication and Information	1,745.9	(355.7)	1,390.2	59.4	1,449.6	1.1%	0.9%
Subtotal	**9,874.7**	**(193.4)**	**9,681.3**	**510.8**	**10,192.1**	**6.2%**	**6.4%**
C STRENGTHENING OF INDUSTRIAL CAPACITIES							
C.1 Industrial Governance and Statistics	13,164.2	(2,397.5)	10,766.7	484.8	11,251.5	8.3%	7.0%
C.2 Investment and Technology Promotion	8,650.1	123.6	8,773.7	428.0	9,201.7	5.4%	5.7%
C.3 Quality and Productivity	4,501.9	(27.7)	4,474.2	181.7	4,655.9	2.8%	2.9%
C.4 Small Business Development	8,407.8	(883.5)	7,524.3	350.6	7,874.9	5.3%	4.9%
C.5 Information Networks and Knowledge Manage	8,437.1	797.5	9,234.6	273.7	9,508.3	5.3%	5.9%
C.6 Direction and Management	1,843.4	(440.3)	1,403.1	105.3	1,508.4	1.2%	0.9%
Subtotal	**45,004.5**	**(2,827.9)**	**42,176.6**	**1,824.1**	**44,000.7**	**28.3%**	**27.4%**
D CLEANER AND SUSTAINABLE INDUSTRIAL DEVELOPMENT							
D.1 Agro-Industries	7,762.8	(1,411.2)	6,351.6	295.6	6,647.2	4.9%	4.1%
D.2 Industrial Energy and Kyoto Protocol	6,056.5	(244.0)	5,812.5	311.3	6,123.8	3.8%	3.8%
D.3 Montreal Protocol	5,379.8	279.9	5,659.7	292.5	5,952.2	3.4%	3.7%
D.4 Environmental Management	6,504.5	(220.5)	6,284.0	319.2	6,603.2	4.1%	4.1%
D.5 Direction and Management	1,672.9	98.4	1,771.3	125.5	1,896.8	1.1%	1.2%
Subtotal	**27,376.5**	**(1,497.4)**	**25,879.1**	**1,344.1**	**27,223.2**	**17.2%**	**17.0%**
E REGIONAL PROGRAMME							
E.1 Regional Bureaus	8,493.9	(410.4)	8,083.5	404.5	8,488.0	5.3%	5.3%
E.2 Field Offices	25,746.4	1,216.0	26,962.4	697.4	27,659.8	16.2%	17.3%
E.3 Direction and Management	1,097.8	984.9	2,082.7	119.1	2,201.8	0.7%	1.4%
Subtotal	**35,338.1**	**1,790.5**	**37,128.6**	**1,221.0**	**38,349.6**	**22.2%**	**23.9%**
F ADMINISTRATION							
F.1 Human Resource Management	5,555.5	(656.1)	4,899.4	298.5	5,197.9	3.5%	3.2%
F.2 Financial Services	7,271.4	(1,259.5)	6,011.9	370.3	6,382.2	4.6%	4.0%
F.3 General Services	7,103.4	164.1	7,267.5	376.9	7,644.4	4.5%	4.8%
F.4 Legal Services	992.8	(73.2)	919.6	52.1	971.7	0.6%	0.6%
F.5 Direction and Management	1,362.1	1,060.8	2,422.9	155.3	2,578.2	0.9%	1.6%
Subtotal	**22,285.2**	**(763.9)**	**21,521.3**	**1,253.1**	**22,774.4**	**14.0%**	**14.2%**
H INDIRECT COSTS							
H.1 Contribution to Shared Services	13,908.8	(1,972.9)	11,935.9	469.3	12,405.2	8.7%	7.7%
Subtotal	**13,908.8**	**(1,972.9)**	**11,935.9**	**469.3**	**12,405.2**	**8.7%**	**7.7%**
TOTAL expenditure (excl. major programme G)	**159,033.1**	**(5,552.5)**	**153,480.6**	**6,814.3**	**160,294.9**	**100.0%**	**100.0%**
G BUILDINGS MANAGEMENT							
G.1 Common Buildings Management	38,211.4	(3,546.7)	34,664.7	1,276.9	35,941.6	97.1%	95.7%
G.2 Joint Buildings Management	1,149.2	375.1	1,524.3	84.6	1,608.9	2.9%	4.3%
TOTAL expenditure (major programme G)	**39,360.6**	**(3,171.6)**	**36,189.0**	**1,361.5**	**37,550.5**	**100.0%**	**100.0%**

(Continued next page)

a/ Reflects budget adjustments to the base. Due to the conversion from US$, rounding discrepancies are possible after the decimal point.

Table 1 (continued)

Programme	2000-2001 approved budget a/ 1	2002-2003 resource growth at 2000-2001 rates 2	2002-2003 resource requirements at 2000-2001 rates 3	Recosting to 2002-2003 rates 4	2002-2003 resource requirements 5	Per cent of total budget 2000-2001 6	Per cent of total budget 2002-2003 7
Income							
A GOVERNING BODIES							
Subtotal	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0%**	**0.0%**
B GENERAL MANAGEMENT							
Subtotal	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0%**	**0.0%**
C STRENGTHENING OF INDUSTRIAL CAPACITIES							
Subtotal	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0%**	**0.0%**
D CLEANER AND SUSTAINABLE INDUSTRIAL DEVELOPMENT							
Subtotal	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0%**	**0.0%**
E REGIONAL PROGRAMME							
E.2 Field Offices	1,564.8	1,020.7	2,585.5	104.4	2,689.9	48.3%	58.4%
Subtotal	**1,564.8**	**1,020.7**	**2,585.5**	**104.4**	**2,689.9**	**48.3%**	**58.4%**
F ADMINISTRATION							
Subtotal	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0%**	**0.0%**
H INDIRECT COSTS							
Subtotal	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0%**	**0.0%**
Miscellaneous Income	1,678.2	239.0	1,917.2		1,917.2	51.7%	41.6%
TOTAL income (excl. major programme G)	**3,243.0**	**1,259.7**	**4,502.7**	**104.4**	**4,607.1**	**100.0%**	**100.0%**
G BUILDINGS MANAGEMENT							
G.1 Common Buildings Management	38,211.4	(3,546.7)	34,664.7	1,276.9	35,941.6	97.1%	95.7%
G.2 Joint Buildings Management	1,149.2	375.1	1,524.3	84.6	1,608.9	2.9%	4.3%
TOTAL income (major programme G)	**39,360.6**	**(3,171.6)**	**36,189.0**	**1,361.5**	**37,550.5**	**100.0%**	**100.0%**
NET GRAND TOTAL	**155,790.1**	**(6,812.2)**	**148,977.9**	**6,709.9**	**155,687.8**		

a/ Reflects budget adjustments to the base. Due to the conversion from US$ rounding discrepancies are possible after the decimal point.

Annex A

Table 2 Regular budget expenditure and income by major programme and programme
(In thousands of euros)

Programme	2000-2001 approved budget a/	2002-2003 resource growth at 2000-2001 rates	2002-2003 resource requirements at 2000-2001 rates	Recosting to 2002-2003 rates	2002-2003 resource requirements	Per cent of total budget 2000-2001	Per cent of total budget 2002-2003
	1	2	3	4	5	6	7
Expenditure							
A GOVERNING BODIES							
A.1 Meetings of Governing Bodies	3,632.2	261.1	3,893.3	122.0	4,015.3	2.8%	2.9%
A.2 Secretariat of Governing Bodies & Ext. Relatic	1,613.1	(348.6)	1,264.5	69.9	1,334.4	1.2%	1.0%
Subtotal	**5,245.3**	**(87.5)**	**5,157.8**	**191.9**	**5,349.7**	**4.0%**	**3.9%**
B GENERAL MANAGEMENT							
B.1 Executive Direction and Management	4,607.5	638.7	5,246.2	316.4	5,562.6	3.5%	4.0%
B.2 Internal Oversight	1,458.3	(457.3)	1,001.0	66.8	1,067.8	1.1%	0.8%
B.3 United Nations System Coordination	1,305.1	201.4	1,506.5	112.7	1,619.2	1.0%	1.2%
B.4 Communication and Information	1,745.9	(355.7)	1,390.2	59.4	1,449.6	1.3%	1.1%
Subtotal	**9,116.8**	**27.1**	**9,143.9**	**555.3**	**9,699.2**	**7.0%**	**7.0%**
C STRENGTHENING OF INDUSTRIAL CAPACITIES							
C.1 Industrial Governance and Statistics	11,893.9	(2,059.1)	9,834.8	429.5	10,264.3	9.1%	7.4%
C.2 Investment and Technology Promotion	5,772.0	637.1	6,409.1	287.7	6,696.8	4.4%	4.9%
C.3 Quality and Productivity	3,532.7	(27.7)	3,505.0	133.6	3,638.6	2.7%	2.6%
C.4 Small Business Development	6,971.2	(828.4)	6,142.8	262.5	6,405.3	5.3%	4.6%
C.5 Information Networks and Knowledge Manage	7,450.0	908.0	8,358.0	233.8	8,591.8	5.7%	6.2%
C.6 Direction and Management	1,843.4	(440.3)	1,403.1	105.3	1,508.4	1.4%	1.1%
Subtotal	**37,463.2**	**(1,810.4)**	**35,652.8**	**1,452.4**	**37,105.2**	**28.7%**	**26.9%**
D CLEANER AND SUSTAINABLE INDUSTRIAL DEVELOPMENT							
D.1 Agro-Industries	5,945.4	(844.5)	5,100.9	215.7	5,316.6	4.6%	3.9%
D.2 Industrial Energy and Kyoto Protocol	5,242.8	(15.8)	5,227.0	266.2	5,493.2	4.0%	4.0%
D.3 Montreal Protocol	3,780.9	243.2	4,004.1	213.0	4,217.1	2.9%	3.1%
D.4 Environmental Management	4,343.2	708.0	5,051.2	242.0	5,293.2	3.3%	3.8%
D.5 Direction and Management	1,444.7	98.3	1,543.0	116.3	1,659.3	1.1%	1.2%
Subtotal	**20,737.0**	**189.2**	**20,926.2**	**1,053.2**	**21,979.4**	**15.9%**	**15.9%**
E REGIONAL PROGRAMME							
E.1 Regional Bureaus	8,155.4	(410.4)	7,745.0	387.1	8,132.1	6.2%	5.9%
E.2 Field Offices	17,721.0	4,037.8	21,758.8	541.2	22,300.0	13.6%	16.2%
E.3 Direction and Management	987.6	1,095.1	2,082.7	119.1	2,201.8	0.8%	1.6%
Subtotal	**26,864.0**	**4,722.5**	**31,586.5**	**1,047.4**	**32,633.9**	**20.6%**	**23.7%**
F ADMINISTRATION							
F.1 Human Resource Management	3,906.4	(291.0)	3,615.4	211.4	3,826.8	3.0%	2.8%
F.2 Financial Services	5,639.2	(784.4)	4,854.8	284.2	5,139.0	4.3%	3.7%
F.3 General Services	5,638.3	302.8	5,941.1	292.9	6,234.0	4.3%	4.5%
F.4 Legal Services	764.5	155.1	919.6	52.1	971.7	0.6%	0.7%
F.5 Direction and Management	1,362.1	1,060.8	2,422.9	155.3	2,578.2	1.0%	1.9%
Subtotal	**17,310.5**	**443.3**	**17,753.8**	**995.9**	**18,749.7**	**13.2%**	**13.6%**
H INDIRECT COSTS							
H.1 Contribution to Shared Services	13,908.8	(1,972.9)	11,935.9	469.3	12,405.2	10.6%	9.0%
Subtotal	**13,908.8**	**(1,972.9)**	**11,935.9**	**469.3**	**12,405.2**	**10.6%**	**9.0%**
TOTAL expenditure (excl. major programme G)	**130,645.6**	**1,511.3**	**132,156.9**	**5,765.4**	**137,922.3**	**100.0%**	**100.0%**
G BUILDINGS MANAGEMENT							
G.1 Common Buildings Management	38,211.4	(3,546.7)	34,664.7	1,276.9	35,941.6	97.1%	95.7%
G.2 Joint Buildings Management	1,149.2	375.1	1,524.3	84.6	1,608.9	2.9%	4.3%
TOTAL expenditure (major programme G)	**39,360.6**	**(3,171.6)**	**36,189.0**	**1,361.5**	**37,550.5**	**100.0%**	**100.0%**

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a/ Reflects budget adjustments to the base. Due to the conversion from US$, rounding discrepancies are possible after the decimal point.

Table 2 (continued)

Programme	2000-2001 approved budget a/ 1	2002-2003 resource growth at 2000-2001 rates 2	2002-2003 resource requirements at 2000-2001 rates 3	Recosting to 2002-2003 rates 4	2002-2003 resource requirements 5	Per cent of total budget 2000-2001 6	2002-2003 7
Income							
A GOVERNING BODIES							
Subtotal	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0%**	**0.0%**
B GENERAL MANAGEMENT							
Subtotal	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0%**	**0.0%**
C STRENGTHENING OF INDUSTRIAL CAPACITIES							
Subtotal	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0%**	**0.0%**
D CLEANER AND SUSTAINABLE INDUSTRIAL DEVELOPMENT							
Subtotal	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0%**	**0.0%**
E REGIONAL PROGRAMME							
E.2 Field Offices	1,096.6	1,321.1	2,417.7	97.6	2,515.3	41.8%	59.4%
Subtotal	**1,096.6**	**1,321.1**	**2,417.7**	**97.6**	**2,515.3**	**41.8%**	**59.4%**
F ADMINISTRATION							
Subtotal	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0%**	**0.0%**
H INDIRECT COSTS							
Subtotal	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0%**	**0.0%**
Miscellaneous Income	1,526.9	190.3	1,717.2		1,717.2	58.2%	40.6%
TOTAL Income (excl. major programme G)	**2,623.5**	**1,511.4**	**4,134.9**	**97.6**	**4,232.5**	**100.0%**	**100.0%**
G BUILDINGS MANAGEMENT							
G.1 Common Buildings Management	38,211.4	(3,546.7)	34,664.7	1,276.9	35,941.6	97.1%	95.7%
G.2 Joint Buildings Management	1,149.2	375.1	1,524.3	84.6	1,608.9	2.9%	4.3%
TOTAL Income (major programme G)	**39,360.6**	**(3,171.6)**	**36,189.0**	**1,361.5**	**37,550.5**	**100.0%**	**100.0%**
NET GRAND TOTAL	**128,022.1**	**(0.1)**	**128,022.0**	**5,667.8**	**133,689.8**		

a/ Reflects budget adjustments to the base. Due to the conversion from US$, rounding discrepancies are possible after the decimal point.

Annex A

Table 3. Operational budget expenditure and income by major programme and programme
(In thousands of euros)

Programme	2000-2001 approved budget a/	2002-2003 resource growth at 2000-2001 rates	2002-2003 resource requirements at 2000-2001 rates	Recosting to 2002-2003 rates	2002-2003 resource requirements	Per cent of total budget	
	1	2	3	4	5	2000-2001 6	2002-2003 7
Expenditure							
A GOVERNING BODIES							
Subtotal	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0%**	**0.0%**
B GENERAL MANAGEMENT							
B.1 Executive Direction and Management	220.4	(220.4)				0.8%	0.0%
B.2 Internal Oversight	110.2		110.2	8.2	118.4	0.4%	0.5%
B.3 United Nations System Coordination	427.3	(0.1)	427.2	(52.7)	374.5	1.5%	1.7%
Subtotal	**757.9**	**(220.5)**	**537.4**	**(44.5)**	**492.9**	**2.7%**	**2.2%**
C STRENGTHENING OF INDUSTRIAL CAPACITIES							
C.1 Industrial Governance and Statistics	1,270.3	(338.4)	931.9	55.3	987.2	4.5%	4.4%
C.2 Investment and Technology Promotion	2,878.1	(513.5)	2,364.6	140.3	2,504.9	10.1%	11.2%
C.3 Quality and Productivity	969.2		969.2	48.1	1,017.3	3.4%	4.5%
C.4 Small Business Development	1,436.6	(55.1)	1,381.5	88.1	1,469.6	5.1%	6.6%
C.5 Information Networks and Knowledge Manage	987.1	(110.5)	876.6	39.9	916.5	3.5%	4.1%
Subtotal	**7,541.3**	**(1,017.5)**	**6,523.8**	**371.7**	**6,895.5**	**26.6%**	**30.8%**
D CLEANER AND SUSTAINABLE INDUSTRIAL DEVELOPMENT							
D.1 Agro-Industries	1,817.5	(566.8)	1,250.7	79.9	1,330.6	6.4%	5.9%
D.2 Industrial Energy and Kyoto Protocol	813.7	(228.2)	585.5	45.1	630.6	2.9%	2.8%
D.3 Montreal Protocol	1,618.9	36.7	1,655.6	79.5	1,735.1	5.7%	7.8%
D.4 Environmental Management	2,161.3	(928.5)	1,232.8	77.2	1,310.0	7.6%	5.9%
D.5 Direction and Management	229.3		229.3	9.2	237.5	0.8%	1.1%
Subtotal	**6,639.7**	**(1,686.8)**	**4,952.9**	**290.9**	**5,243.8**	**23.4%**	**23.4%**
E REGIONAL PROGRAMME							
E.1 Regional Bureaus	338.5		338.5	17.4	356.9	1.2%	1.6%
E.2 Field Offices	8,025.4	(2,821.8)	5,203.6	156.2	5,359.8	28.3%	24.0%
E.3 Direction and Management	110.2	(110.2)				0.4%	0.0%
Subtotal	**8,474.1**	**(2,932.0)**	**5,542.1**	**173.6**	**5,715.7**	**29.9%**	**25.6%**
F ADMINISTRATION							
F.1 Human Resource Management	1,649.1	(365.1)	1,284.0	87.1	1,371.1	5.8%	6.1%
F.2 Financial Services	1,632.3	(475.2)	1,157.1	86.1	1,243.2	5.8%	5.6%
F.3 General Services	1,465.1	(138.7)	1,326.4	84.0	1,410.4	5.2%	6.3%
F.4 Legal Services	228.3	(228.3)				0.8%	0.0%
Subtotal	**4,974.8**	**(1,207.3)**	**3,767.5**	**257.2**	**4,024.7**	**17.8%**	**18.0%**
H INDIRECT COSTS							
Subtotal	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0%**	**0.0%**
TOTAL expenditure (excl. major programme G)	**28,387.8**	**(7,064.1)**	**21,323.7**	**1,048.9**	**22,372.6**	**100.0%**	**100.0%**
G BUILDINGS MANAGEMENT							
TOTAL expenditure (major programme G)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**		

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a/ Reflects budget adjustments to the base. Due to the conversion from US$, rounding discrepancies are possible after the decimal point.

Table 3 (continued)

Programme	2000-2001 approved budget a/ 1	2002-2003 resource growth at 2000-2001 rates 2	2002-2003 resource requirements at 2000-2001 rates 3	Recosting to 2002-2003 rates 4	2002-2003 resource requirements 5	Per cent of total budget 2000-2001 6	2002-2003 7
Income							
A GOVERNING BODIES							
Subtotal	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%
B GENERAL MANAGEMENT							
Subtotal	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%
C STRENGTHENING OF INDUSTRIAL CAPACITIES							
Subtotal	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%
D CLEANER AND SUSTAINABLE INDUSTRIAL DEVELOPMENT							
Subtotal	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%
E REGIONAL PROGRAMME							
E.2 Field Offices	468.1	(300.3)	167.8	6.8	174.6	75.6%	46.6%
Subtotal	**468.1**	(300.3)	**167.8**	**6.8**	**174.6**	**75.6%**	**46.6%**
F ADMINISTRATION							
Subtotal	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%
H INDIRECT COSTS							
Subtotal	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%
Miscellaneous income	151.2	48.6	200.0		200.0	24.4%	53.4%
TOTAL income (excl. major programme G)	**619.3**	**(251.5)**	**367.8**	**6.8**	**374.6**	**100.0%**	**100.0%**
G BUILDINGS MANAGEMENT							
TOTAL income (major programme G)	0.0	0.0	0.0	0.0	0.0		
NET GRAND TOTAL	**27,768.5**	**(6,812.6)**	**20,955.9**	**1,042.1**	**21,998.0**		

a/ Reflects budget adjustments to the base. Due to the conversion from US$ rounding discrepancies are possible after the decimal point

Annex B

Table 1 Regular and operational budget expenditure and income by programme and major object of expenditure at 2000-2001 rates
(In thousands of euros)

Programme	Staff costs		Official travel		Operating costs		Information and communication technology		RPTC and IDDA supplementary activities		Total expenditure		Income		Net requirements	
	2000-2001 a/	2002-2003	2000-2001 a/	2002-2003	2000-2001 a/	2002-2003	2000-2001 a/	2002-2003	2000-2001 a/	2002-2003	2000-2001 a/	2002-2003	2000-2001 a/	2002-2003	2000-2001 a/	2002-2003
Expenditure																
A GOVERNING BODIES																
A.1 Meetings of Governing Bodies	84.1	60.4			3,548.1	3,832.9					3,632.2	3,893.3			3,632.2	3,893.3
A.2 Secretariat of Governing Bodies & Ext. Relations	1,464.2	1,093.2	31.8	22.4	117.1	148.9					1,613.1	1,264.5			1,613.1	1,264.5
Subtotal	**1,548.3**	**1,153.6**	**31.8**	**22.4**	**3,665.2**	**3,981.8**	**0.0**	**0.0**	**0.0**	**0.0**	**5,245.3**	**5,157.8**	**0.0**	**0.0**	**5,245.3**	**5,157.8**
B GENERAL MANAGEMENT																
B.1 Executive Direction and Management	4,090.9	4,521.0	396.8	426.4	340.2	298.8					4,827.9	5,246.2			4,827.9	5,246.2
B.2 Internal Oversight	1,524.3	1,073.5	21.8	10.6	22.4	27.1					1,568.5	1,111.2			1,568.5	1,111.2
B.3 United Nations System Coordination	1,324.6	1,534.9	50.2	48.0	297.4	296.4	60.2	54.4			1,732.4	1,933.7			1,732.4	1,933.7
B.4 Communication and Information	1,288.5	973.1	34.7	38.2	422.6	378.9					1,745.9	1,390.2			1,745.9	1,390.2
Subtotal	**8,228.3**	**8,102.5**	**503.5**	**523.2**	**1,082.6**	**1,001.2**	**60.2**	**54.4**	**0.0**	**0.0**	**9,874.7**	**9,681.3**	**0.0**	**0.0**	**9,874.7**	**9,681.3**
C STRENGTHENING OF INDUSTRIAL CAPACITIES																
C.1 Industrial Governance and Statistics	9,643.3	7,749.6	174.3	185.3	582.2	417.0			2,794.3	2,414.8	13,194.2	10,766.7			13,194.2	10,766.7
C.2 Investment and Technology Promotion	7,212.0	6,669.3	152.7	151.2	309.1	181.3			976.3	1,771.9	8,650.1	8,773.7			8,650.1	8,773.7
C.3 Quality and Productivity	3,389.1	2,595.6	87.5	34.3	322.2	243.9			704.2	1,600.4	4,501.9	4,474.2			4,501.9	4,474.2
C.4 Small Business Development	4,803.0	5,226.9	59.5	66.1	152.9	178.5			3,392.4	2,052.8	8,407.8	7,524.3			8,407.8	7,524.3
C.5 Information Networks and Knowledge Management	3,325.4	4,797.1	1.6	10.6	1,218.9	439.0	3,891.2	3,987.9			8,437.1	9,234.6			8,437.1	9,234.6
C.6 Direction and Management	1,736.7	1,297.3	97.2	97.2	10.5	9.5					1,843.4	1,403.1			1,843.4	1,403.1
Subtotal	**30,107.5**	**28,335.8**	**572.8**	**544.7**	**2,595.8**	**1,469.3**	**3,891.2**	**3,987.9**	**7,867.2**	**7,839.9**	**45,054.5**	**42,176.6**	**0.0**	**0.0**	**45,054.5**	**42,176.6**
D CLEANER AND SUSTAINABLE INDUSTRIAL DEVELOPMENT																
D.1 Agro-Industries	5,801.3	5,213.0	79.4	81.6	63.9	66.7			1,818.2	990.3	7,762.8	6,351.6			7,762.8	6,351.6
D.2 Industrial Energy and Kyoto Protocol	5,074.8	4,669.8	229.4	226.8	62.5	127.1			690.0	788.0	6,056.5	5,812.5			6,056.5	5,812.5
D.3 Montreal Protocol	5,247.6	4,922.3	78.4	77.2	53.8	660.2					5,379.8	5,659.7			5,379.8	5,659.7
D.4 Environmental Management	5,375.3	5,338.1	49.6	49.0	59.1	64.9			1,021.6	832.0	6,504.5	6,284.0			6,504.5	6,284.0
D.5 Direction and Management	1,602.0	1,702.1	68.1	65.4	2.9	3.8					1,672.9	1,771.3			1,672.9	1,771.3
Subtotal	**23,101.0**	**21,845.3**	**503.9**	**500.0**	**241.1**	**922.7**	**0.0**	**0.0**	**3,530.6**	**2,611.1**	**27,376.5**	**25,879.1**	**0.0**	**0.0**	**27,376.5**	**25,879.1**
E REGIONAL PROGRAMME																
E.1 Regional Bureaux	7,308.8	6,337.1	325.2	360.2	859.9	829.1				516.7	8,493.9	8,083.5			8,493.9	8,083.5
E.2 Field Offices	18,392.8	18,965.5	336.0	380.0	5,212.3	5,441.5			1,805.3	2,175.4	25,746.4	26,962.4	(1,564.8)	(2,585.5)	24,181.6	24,376.9
E.3 Direction and Management	967.0	1,585.5	34.9	57.6	95.9	39.6					1,097.8	2,082.7			1,097.8	2,082.7
Subtotal	**26,668.6**	**27,288.1**	**696.1**	**777.8**	**6,168.1**	**6,310.6**	**0.0**	**0.0**	**1,805.3**	**2,752.1**	**35,338.1**	**37,128.6**	**(1,564.8)**	**(2,585.5)**	**33,773.3**	**34,543.1**
F ADMINISTRATION																
F.1 Human Resource Management	5,510.4	4,825.0	19.4	25.6	25.7	48.8					5,555.5	4,899.4			5,555.5	4,899.4
F.2 Financial Services	7,249.7	5,939.8	21.8	14.0		58.1					7,271.4	6,011.9			7,271.4	6,011.9
F.3 General Services	4,685.1	4,706.4	10.3	15.3	1,024.4	1,421.8	1,383.6	1,124.0			7,103.4	7,267.5			7,103.4	7,267.5
F.4 Legal Services	953.0	911.6	13.2	8.0	29.9						992.8	919.6			992.8	919.6
F.5 Direction and Management	1,298.1	2,387.5	2.6	19.6	61.3	35.8					1,362.1	2,422.9			1,362.1	2,422.9
Subtotal	**19,696.3**	**18,750.3**	**67.3**	**82.5**	**1,139.0**	**1,564.5**	**1,383.6**	**1,124.0**	**0.0**	**0.0**	**22,285.2**	**21,521.3**	**0.0**	**0.0**	**22,285.2**	**21,521.3**
H INDIRECT COSTS																
H.1 Contribution to Shared Services	581.1	542.7			12,308.4	10,445.0	1,019.2	948.2			13,908.8	11,935.9			13,908.8	11,935.9
Subtotal	**581.1**	**542.7**	**0.0**	**0.0**	**12,308.4**	**10,445.0**	**1,019.2**	**948.2**	**0.0**	**0.0**	**13,908.8**	**11,935.9**	**0.0**	**0.0**	**13,908.8**	**11,935.9**
Miscellaneous Income													(1,678.2)	(1,917.2)	(1,678.2)	(1,917.2)
TOTAL (excl. major programme G)	**109,931.1**	**106,018.3**	**2,375.4**	**2,450.6**	**27,199.2**	**25,694.1**	**6,354.2**	**6,114.5**	**13,203.1**	**13,203.1**	**159,033.1**	**153,480.6**	**(3,243.0)**	**(4,502.7)**	**155,790.1**	**148,977.9**
G BUILDINGS MANAGEMENT																
G.1 Common Buildings Management	11,250.7	12,296.5	8.8	10.7	26,961.9	22,387.5					38,211.4	34,684.7	(38,211.4)	(34,684.7)		
G.2 Joint Buildings Management	330.6	350.3			818.9	1,174.0					1,149.2	1,524.3	(1,149.2)	(1,524.3)		
TOTAL (major programme G)	**11,581.3**	**12,646.8**	**8.8**	**10.7**	**27,780.8**	**23,561.5**	**0.0**	**0.0**	**0.0**	**0.0**	**39,360.6**	**36,189.0**	**(39,360.6)**	**(36,189.0)**	**0.0**	**0.0**

a/ Reflects budget adjustments to the base. Due to the conversion from US$, rounding discrepancies are possible after the decimal point.

Table 2 Regular budget expenditure and income by programme and major object of expenditure at 2000-2001 rates
(In thousands of euros)

Programme	Staff costs		Official travel		Operating costs		Information and communication technology		RPTC and EDA supplementary activities		Total expenditure		Income		Net requirements	
	2000-2001 a	2002-2003	2000-2001 a	2002-2003	2000-2001 a	2002-2003	2000-2001 a	2002-2003	2000-2001 a	2002-2003	2000-2001 a	2002-2003	2000-2001 a	2002-2003	2000-2001 a	2002-2003
Expenditure																
A GOVERNING BODIES																
A.1 Meetings of Governing Bodies	84.1	80.4			3,548.1	3,812.9					3,632.2	3,893.3			3,632.2	3,893.3
A.2 Secretariat of Governing Bodies & Ext. Relations	1,464.2	1,053.2	31.8	22.4	117.1	169.5					1,613.1	1,264.5			1,613.1	1,264.5
Subtotal	**1,548.3**	**1,153.6**	**31.8**	**22.4**	**3,665.2**	**3,981.8**	**0.0**	**0.0**	**0.0**	**0.0**	**5,245.3**	**5,157.8**	**0.0**	**0.0**	**5,245.3**	**5,157.8**
B GENERAL MANAGEMENT																
B.1 Executive Direction and Management	3,870.5	4,521.0	396.8	426.4	340.2	298.8					4,607.5	5,246.2			4,607.5	5,246.2
B.2 Internal Oversight	1,414.1	963.3	21.8	10.6	22.4	27.1					1,458.3	1,001.0			1,458.3	1,001.0
B.3 United Nations System Coordination	897.3	1,107.7	50.2	48.0	297.4	296.4	60.2	54.4			1,305.1	1,506.5			1,305.1	1,506.5
B.4 Communication and Information	1,288.5	973.1	34.7	38.2	422.6	378.9					1,745.9	1,390.2			1,745.9	1,390.2
Subtotal	**7,470.4**	**7,565.1**	**503.5**	**523.2**	**1,082.6**	**1,001.2**	**60.2**	**54.4**	**0.0**	**0.0**	**9,116.8**	**9,143.9**	**0.0**	**0.0**	**9,116.8**	**9,143.9**
C STRENGTHENING OF INDUSTRIAL CAPACITIES																
C.1 Industrial Governance and Statistics	8,373.0	6,817.7	174.3	185.3	552.2	417.0			2,794.3	2,414.8	11,893.9	9,834.8			11,893.9	9,834.8
C.2 Investment and Technology Promotion	4,333.9	4,304.7	152.7	151.2	309.1	181.3			976.3	1,771.9	5,772.0	6,409.1			5,772.0	6,409.1
C.3 Quality and Productivity	2,418.8	1,626.4	87.5	34.3	322.2	243.9			704.2	1,600.4	3,532.7	3,505.0			3,532.7	3,505.0
C.4 Small Business Development	3,396.4	3,845.4	59.5	66.1	152.9	178.5			3,392.4	2,052.8	6,971.2	6,142.8			6,971.2	6,142.8
C.5 Information Networks and Knowledge Management	2,338.3	3,920.5	1.6	10.6	1,218.9	439.0	3,891.2	3,987.9			7,450.0	8,358.0			7,450.0	8,358.0
C.6 Direction and Management	1,735.7	1,297.3	97.2	97.2	10.5	9.6					1,843.4	1,403.1			1,843.4	1,403.1
Subtotal	**22,596.1**	**21,812.0**	**572.8**	**544.7**	**2,565.8**	**1,469.3**	**3,891.2**	**3,987.9**	**7,867.2**	**7,839.9**	**37,463.2**	**35,652.8**	**0.0**	**0.0**	**37,463.2**	**35,652.8**
D CLEANER AND SUSTAINABLE INDUSTRIAL DEVELOPMENT																
D.1 Agro-Industries	3,983.9	3,962.3	79.4	81.6	63.9	66.7			1,818.2	990.3	5,945.4	5,100.9			5,945.4	5,100.9
D.2 Industrial Energy and Kyoto Protocol	4,261.1	4,084.3	229.4	229.8	62.5	127.1			690.8	786.8	5,242.8	5,227.0			5,242.8	5,227.0
D.3 Montreal Protocol	3,629.7	3,786.7	78.4	77.2	53.8	140.2					3,760.9	4,004.1			3,760.9	4,004.1
D.4 Environmental Management	3,214.0	4,105.3	49.6	49.0	58.0	64.9			1,021.6	932.0	4,343.2	5,051.2			4,343.2	5,051.2
D.5 Direction and Management	1,373.7	1,473.8	68.1	65.4	2.9	3.8					1,444.7	1,543.0			1,444.7	1,543.0
Subtotal	**16,461.4**	**17,412.4**	**503.9**	**500.0**	**241.1**	**402.7**	**0.0**	**0.0**	**3,530.6**	**2,611.1**	**20,737.0**	**20,926.2**	**0.0**	**0.0**	**20,737.0**	**20,926.2**
E REGIONAL PROGRAMME																
E.1 Regional Bureaux	6,970.3	5,998.6	325.2	340.2	859.9	829.5				576.7	8,155.4	7,745.0			8,155.4	7,745.0
E.2 Field Offices	11,925.9	14,321.2	336.0	380.0	3,653.8	4,882.2			1,805.3	2,176.4	17,721.0	21,758.8	(1,096.6)	(2,417.7)	16,624.4	19,341.1
E.3 Direction and Management	856.8	1,985.5	34.9	57.6	95.9	39.6					987.6	2,082.7			987.6	2,082.7
Subtotal	**19,753.0**	**22,305.3**	**696.1**	**777.8**	**4,609.6**	**5,751.3**	**0.0**	**0.0**	**1,805.3**	**2,752.1**	**26,864.0**	**31,586.5**	**(1,096.6)**	**(2,417.7)**	**25,767.4**	**29,168.8**
F ADMINISTRATION																
F.1 Human Resource Management	3,881.3	3,541.0	19.4	25.6	25.7	48.9					3,906.4	3,615.4			3,906.4	3,615.4
F.2 Financial Services	5,617.4	4,782.7	21.8	14.0		58.1					5,639.2	4,854.8			5,639.2	4,854.8
F.3 General Services	3,220.0	3,380.0	10.3	15.3	1,024.4	1,421.8	1,383.6	1,124.0			5,638.3	5,941.1			5,638.3	5,941.1
F.4 Legal Services	724.7	911.6	13.2	8.0	26.6						764.5	919.6			764.5	919.6
F.5 Direction and Management	1,298.1	2,367.5	2.6	19.6	61.3	35.8					1,362.1	2,422.9			1,362.1	2,422.9
Subtotal	**14,721.5**	**14,982.8**	**67.3**	**82.5**	**1,138.0**	**1,564.5**	**1,383.6**	**1,124.0**	**0.0**	**0.0**	**17,310.5**	**17,753.8**	**0.0**	**0.0**	**17,310.5**	**17,753.8**
H INDIRECT COSTS																
H.1 Contribution to Shared Services	581.1	942.7			12,308.4	10,445.0	1,019.2	948.2			13,908.8	11,935.9			13,908.8	11,935.9
Subtotal	**581.1**	**942.7**	**0.0**	**0.0**	**12,308.4**	**10,445.0**	**1,019.2**	**948.2**	**0.0**	**0.0**	**13,908.8**	**11,935.9**	**0.0**	**0.0**	**13,908.8**	**11,935.9**
Miscellaneous Income													(1,526.9)	(1,717.2)	(1,526.9)	(1,717.2)
TOTAL (excl. major programme G)	**83,101.8**	**86,773.9**	**2,379.4**	**2,450.6**	**25,610.7**	**24,614.8**	**6,354.2**	**6,114.5**	**13,203.1**	**13,203.1**	**130,645.6**	**132,156.9**	**(2,623.5)**	**(4,134.9)**	**128,022.1**	**128,022.0**
G BUILDINGS MANAGEMENT																
G.1 Common Buildings Management	11,260.7	12,266.5	8.8	10.7	26,941.9	22,387.5					38,211.4	34,664.7	(38,211.4)	(34,664.7)		
G.2 Joint Buildings Management	330.6	350.3			818.6	1,174.0					1,149.2	1,524.3	(1,149.2)	(1,524.3)		
TOTAL (major programme G)	**11,591.3**	**12,616.8**	**8.8**	**10.7**	**27,760.5**	**23,561.5**	**0.0**	**0.0**	**0.0**	**0.0**	**39,360.6**	**36,189.0**	**(39,360.6)**	**(36,189.0)**	**0.0**	**0.0**

a Reflects budget adjustments to the base. Due to the conversion from US$, rounding discrepancies are possible after the decimal point.

Annex B

Table 3 Operational budget expenditure and income by programme and major object of expenditure at 2000-2001 rates
(In thousands of euros)

Programme	Staff costs		Official travel		Operating costs		Information and communication technology		RPTC and EDDA supplementary activities		Total expenditure		Income		Net requirements	
	2000-2001 a/	2002-2003	2000-2001 a/	2002-2003	2000-2001 a/	2002-2003	2000-2001 a/	2002-2003	2000-2001 a/	2002-2003	2000-2001 a/	2002-2003	2000-2001 a/	2002-2003	2000-2001 a/	2002-2003
Expenditure																
A GOVERNING BODIES																
Subtotal	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
B GENERAL MANAGEMENT																
B.1 Executive Direction and Management	220.4										220.4				220.4	
B.2 Internal Oversight	110.2	110.2									110.2	110.2			110.2	110.2
B.3 United Nations System Coordination	427.3	427.2									427.3	427.2			427.3	427.2
Subtotal	**757.9**	**537.4**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**757.9**	**537.4**	**0.0**	**0.0**	**757.9**	**537.4**
C STRENGTHENING OF INDUSTRIAL CAPACITIES																
C.1 Industrial Governance and Statistics	1,270.3	931.9									1,270.3	931.9			1,270.3	931.9
C.2 Investment and Technology Promotion	2,878.1	2,364.6									2,878.1	2,364.6			2,878.1	2,364.6
C.3 Quality and Productivity	969.2	969.2									969.2	969.2			969.2	969.2
C.4 Small Business Development	1,436.6	1,381.5									1,436.6	1,381.5			1,436.6	1,381.5
C.5 Information Networks and Knowledge Management	987.1	876.6									987.1	876.6			987.1	876.6
Subtotal	**7,541.3**	**6,523.8**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**7,541.3**	**6,523.8**	**0.0**	**0.0**	**7,541.3**	**6,523.8**
D CLEANER AND SUSTAINABLE INDUSTRIAL DEVELOPMENT																
D.1 Agro-Industries	1,817.5	1,250.7									1,817.5	1,250.7			1,817.5	1,250.7
D.2 Industrial Energy and Kyoto Protocol	813.7	585.5									813.7	585.5			813.7	585.5
D.3 Montreal Protocol	1,618.9	1,135.6				520.0					1,618.9	1,655.6			1,618.9	1,655.6
D.4 Environmental Management	2,161.3	1,232.8									2,161.3	1,232.8			2,161.3	1,232.8
D.5 Direction and Management	228.3	228.3									228.3	228.3			228.3	228.3
Subtotal	**6,639.7**	**4,432.9**	**0.0**	**0.0**	**0.0**	**520.0**	**0.0**	**0.0**	**0.0**	**0.0**	**6,639.7**	**4,952.9**	**0.0**	**0.0**	**6,639.7**	**4,952.9**
E REGIONAL PROGRAMME																
E.1 Regional Bureaux	338.5	338.5									338.5	338.5			338.5	338.5
E.2 Field Offices	6,466.9	4,644.3			1,558.5	559.3					8,025.4	5,203.6	(468.1)	(167.8)	7,557.3	5,035.8
E.3 Direction and Management	110.2										110.2				110.2	
Subtotal	**6,915.6**	**4,982.8**	**0.0**	**0.0**	**1,558.5**	**559.3**	**0.0**	**0.0**	**0.0**	**0.0**	**8,474.1**	**5,542.1**	**(468.1)**	**(167.8)**	**8,006.0**	**5,374.3**
F ADMINISTRATION																
F.1 Human Resource Management	1,649.1	1,284.0									1,649.1	1,284.0			1,649.1	1,284.0
F.2 Financial Services	1,632.3	1,157.1									1,632.3	1,157.1			1,632.3	1,157.1
F.3 General Services	1,465.1	1,326.4									1,465.1	1,326.4			1,465.1	1,326.4
F.4 Legal Services	228.3										228.3				228.3	
Subtotal	**4,974.8**	**3,767.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**4,974.8**	**3,767.5**	**0.0**	**0.0**	**4,974.8**	**3,767.5**
H INDIRECT COSTS																
Subtotal	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Miscellaneous Income													(151.2)	(200.0)	(151.2)	(200.0)
TOTAL (excl. major programme G)	**26,829.3**	**20,244.4**	**0.0**	**0.0**	**1,558.5**	**1,079.3**	**0.0**	**0.0**	**0.0**	**0.0**	**28,387.8**	**21,323.7**	**(619.3)**	**(367.8)**	**27,768.5**	**20,955.9**
G BUILDINGS MANAGEMENT																
TOTAL (major programme G)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

a/ Reflects budget adjustments to the base. Due to the conversion from US$ rounding discrepancies are possible after the decimal point.

Annex C

Staffing by major programme and programme

Programme	Professional and above			General service		
	Regular budget	Operational budget	Total	Regular budget	Operational budget	Total
	1	2	3	4	5	6
A GOVERNING BODIES						
A.2 Secretariat of Governing Bodies & Ext. Relations	3.0		3.0	3.0		3.0
Subtotal	**3.0**	**0.0**	**3.0**	**3.0**	**0.0**	**3.0**
B GENERAL MANAGEMENT						
B.1 Executive Direction and Management	12.0		12.0	6.0		6.0
B.2 Internal Oversight	3.0		3.0	2.0	1.0	3.0
B.3 United Nations System Coordination	3.0	1.0	4.0	2.0		2.0
B.4 Communication and Information	3.0		3.0	2.0		2.0
Subtotal	**21.0**	**1.0**	**22.0**	**14.0**	**1.0**	**15.0**
C STRENGTHENING OF INDUSTRIAL CAPACITIES						
C.1 Industrial Governance and Statistics	14.0	3.0	17.0	19.0	2.0	21.0
C.2 Investment and Technology Promotion	13.0	8.0	21.0	11.0	5.0	16.0
C.3 Quality and Productivity	5.0	3.0	8.0	3.0	3.0	6.0
C.4 Small Business Development	14.0	3.0	17.0	3.5	6.5	10.0
C.5 Information Networks and Knowledge Management	11.0	3.0	14.0	14.5	3.0	17.5
C.6 Direction and Management	3.0		3.0	5.0		5.0
Subtotal	**60.0**	**20.0**	**80.0**	**56.0**	**19.5**	**75.5**
D CLEANER AND SUSTAINABLE INDUSTRIAL DEVELOPMENT						
D.1 Agro-Industries	12.0	4.0	16.0	9.0	3.0	12.0
D.2 Industrial Energy and Kyoto Protocol	14.0	1.0	15.0	6.0	3.0	9.0
D.3 Montreal Protocol	14.0	2.0	16.0	5.0	6.0	11.0
D.4 Environmental Management	14.0	3.0	17.0	7.5	4.5	11.5
D.5 Direction and Management	3.0	1.0	4.0	6.0		6.0
Subtotal	**57.0**	**11.0**	**68.0**	**33.5**	**16.5**	**49.5**
E REGIONAL PROGRAMME						
E.1 Regional Bureaux	17.0	1.0	18.0	14.0	1.0	15.0
E.2 Field Offices	36.0	12.0	48.0	42.0	20.0	62.0
E.3 Direction and Management	5.0		5.0	5.0		5.0
Subtotal	**58.0**	**13.0**	**71.0**	**61.0**	**21.0**	**82.0**
F ADMINISTRATION						
F.1 Human Resource Management	7.0	1.0	8.0	14.0	10.0	24.0
F.2 Financial Services	10.0		10.0	24.0	10.5	34.5
F.3 General Services	5.0	3.0	8.0	20.0	6.0	26.0
F.4 Legal Services	3.0		3.0	2.0		2.0
F.5 Direction and Management	6.0		6.0	7.5		7.5
Subtotal	**31.0**	**4.0**	**35.0**	**67.5**	**26.5**	**94.0**
** INDIRECT COSTS						
Subtotal	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
TOTAL (excl. major programme G)	**230.0**	**49.0**	**279.0**	**234.5**	**84.5**	**319.0**
G BUILDINGS MANAGEMENT						
G.1 Common Buildings Management	4.0		4.0	107.0		107.0
G.2 Joint Buildings Management				3.0		3.0
TOTAL (major programme G)	**4.0**	**0.0**	**4.0**	**110.0**	**0.0**	**110.0**

Annex D

Adjustment formula for the regular budget (GC 8/Dec.17)

		US dollars	Austrian schillings	Euros
Appropriations				
A	Governing Bodies	233.700	70.242.000	5.357.112
B	General Management	1.564.300	120.787.000	10.467.618
C	Strengthening of Industrial Capacities	4.212.800	470.099.600	38.713.977
D	Cleaner and Sustainable Industrial Development	1.507.800	201.572.400	16.277.517
E	Regional Programme	99.782.400	144.527.700	27.529.382
F	Administration	2.722.700	292.433.930	24.192.909
G	Buildings Management	849.900	517.717.750	38.541.967
	Subtotal - Appropriations	**26.853.600**	**1.817.380.380**	**161.080.482**
Estimated income				
E	Regional Programme	1.015.200		1.096.594
G	Buildings Management	670.600	408.825.510	30.434.872
-	Miscellaneous	1.184.400	3.406.890	1.526.948
	Subtotal - Estimated income	**2.870.200**	**412.232.400**	**33.058.414**
TOTAL NET REQUIREMENTS		**23.983.400**	**1.405.147.980**	**128.022.068**

Adjustment formula for the operational budget

		US dollars	Austrian schillings	Euros
Estimated expenditures				
B	General Management	426.230	7.233.920	986.109
C	Strengthening of Industrial Capacities	768.250	103.778.520	8.371.711
D	Cleaner and Sustainable Industrial Development	413.380	60.210.990	4.822.222
E	Regional Programme	7.467.030	5.618.840	8.474.048
F	Administration	458.300	72.083.730	5.733.526
	Subtotal - Estimated expenditures	**9.533.190**	**248.926.000**	**28.387.616**
Estimated income				
E	Regional Programme	433.400		468.148
-	Miscellaneous	140.000		151.224
	Subtotal - Estimated income	**573.400**		**619.372**
TOTAL NET EXPENDITURES		**8.959.790**	**248.926.000**	**27.768.244**